

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-144-08

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by Terasen Gas Inc.
For Approval to Amend its Schedule of Rates
Effective January 1, 2009
For the Fort Nelson Service Area

BEFORE: A.A. Rhodes, Commissioner
P.E. Vivian, Commissioner September 25, 2008

O R D E R

WHEREAS:

- A. British Columbia Utilities Commission ("Commission") Order G-17-04 approved for Terasen Gas Inc. Fort Nelson Service Area ("Terasen Fort Nelson" or the "Company") its 2004 Revenue Requirement Application, which included the implementation of a Rate Stabilization Adjustment Mechanism ("RSAM") effective January 1, 2004; and
- B. The approved RSAM utilizes a deferral account to record the difference on a use per customer basis between forecast delivery margin used for rate making purposes and actual margin received from residential and commercial customers. For industrial (Rate 25) customers, the RSAM account records margin variations arising from the difference between forecast and actual deliveries. The amounts recorded in the RSAM account are to be amortized over the subsequent three-year period and recovered from or refunded to customers by way of a positive or negative rider on rates; and
- C. On September 4, 2008, Terasen Fort Nelson filed a detailed application for approval of its 2009 Revenue Requirements (the "Application") on a permanent basis, pursuant to Sections 58, 60 and 61 of the Utilities Commission Act, effective January 1, 2009; and
- D. The Application seeks approval, on a permanent basis, effective January 1, 2009, to increase the RSAM rate rider from \$0.116/GJ by \$0.027/GJ for a total rate rider of \$0.143/GJ; and
- E. The Application also seeks a revenue requirement increase of \$209,000 for the 2009 test year, effective January 1, 2009, resulting in an average 3.0 percent rate increase for all sales rate classes or a 17.0 percent increase on a delivery margin basis for all customers; and

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- F. Terasen Fort Nelson considers that a written hearing process is appropriate for the review of the Application and proposes a regulatory timetable that includes a deadline for Intervenor registration and Intervenor comments regarding the regulatory review process; and
- G. The Commission considers that establishing a Regulatory Timetable for the registration of Intervenor and for the preliminary review of the Application, and allow its Intervenor to make written submissions on a formal review process, is necessary and in the public interest. The Commission will consider the comments received and will provide further direction concerning the appropriate process and regulatory timetable to review the Application.

NOW THEREFORE pursuant to Section 60 of the Utilities Commission Act, the Commission orders as follows:

1. The Application and supporting material will be made available for inspection at the Terasen Gas Inc. Office, 16705 Fraser Highway, Surrey, BC, V4N 0E8, at the Town of Fort Nelson municipal offices at 5319 - 50th Avenue South, Fort Nelson, BC, VOC 1R0, and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3.
2. Intervenor and Interested Party registration, an initial round of Information Requests from the Commission and Intervenor, and responses to Information requests by Terasen Fort Nelson will occur according to the Preliminary Regulatory Timetable attached as Appendix A to this Order.
3. Intervenor and Interested Parties should register with the Commission, via the BCUC website or in writing, by Friday, October 10, 2008. Intervenor are requested to make submissions with reasoning concerning the type of process (e.g. oral public hearing, written hearing or negotiated settlement process) and regulatory timetable they view as being appropriate for the review of the Application.
4. Terasen Fort Nelson will publish during the week of September 29, 2008 and October 6, 2008 in display-ad format, the Notice of Revenue Requirements Application, attached hereto as Appendix B, in such appropriate local news publications as may properly provide adequate notice to the public in its service areas.

DATED at the City of Vancouver, In the Province of British Columbia, this 25th day of September 2008.

BY ORDER

Original signed by

A.A. Rhodes
Commissioner

Attachments

Terasen Gas Inc.
Fort Nelson Service Area
Application for Approval of 2009 Revenue Requirements

PRELIMINARY REGULATORY TIMETABLE

ACTION	DATES
Terasen Fort Nelson submitted detailed Application materials	Thursday, September 4, 2008
Commission Information Request No. 1	Thursday, October 2, 2008
Terasen Fort Nelson to publish in display-ad format, the Notice of Revenue Requirements Application	Week of September 29, 2008 and Week of October 6, 2008
Intervenor Registration and Intervenor Comments regarding Regulatory Review Process	Friday, October 10, 2008
Commission Procedural Order confirming Regulatory Timetable	Thursday, October 16, 2008
Intervenor Information Request No. 1	Thursday, October 16, 2008
Terasen Fort Nelson Response to Commission and Intervenor IR No. 1	Thursday, October 30, 2008
Commission and Intervenor IR No. 2, if necessary	Thursday, November 6, 2008
Terasen Fort Nelson Response to Commission and Intervenor IR No. 2	Thursday, November 13, 2008
<u>Assuming a Written Hearing</u>	
Intervenor Comments	Thursday, November 20, 2008
Terasen Fort Nelson Reply Comments	Thursday, November 27, 2008



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Terasen Gas Inc.
Fort Nelson Service Area
Application for Approval of 2009 Revenue Requirements

NOTICE OF APPLICATION

THE APPLICATION

On September 4, 2008, Terasen Gas Inc. – Fort Nelson Service Area (“Terasen Fort Nelson” or the “Company”) filed for approval of its 2009 Revenue Requirements (the “Application”) on a permanent basis, pursuant to Sections 58, 60 and 61 of the Utilities Commission Act (the “Act”), effective January 1, 2009. The Application seeks approval, on a permanent basis, effective January 1, 2009, to increase the Revenue Stabilization Adjustment Mechanism (“RSAM”) rate rider from \$0.116/GJ by \$0.027/GJ for a total rate rider of \$0.143/GJ. The Application also seeks a revenue requirement increase of \$209,000 for the 2009 test year, effective January 1, 2009, resulting in an average of a 3.0 percent rate increase for all sales rate classes or a 17.0 percent increase on a delivery margin basis for all customers. The Application also seeks to have rates revised to reflect the Commission approved allowed Return on Equity (“ROE”) as per the Generic Mechanism, expected in early December 2008.

THE REGULATORY PROCESS

The Commission has established a written process for submissions regarding the regulatory process for the review of the Application.

PUBLIC INSPECTION OF THE APPLICATION

The Application and supporting material, including Commission correspondence, will be made available for inspection at the Terasen Gas Inc. Office, 16705 Fraser Highway, Surrey, BC, V4N 0E8, at the Town of Fort Nelson municipal offices at 5319 - 50th Avenue South, Fort Nelson, BC, VOC 1R0 and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3.

The Application will also be available for viewing on the Terasen Gas website at www.terasengas.com and on the Commission’s website at www.bcuc.com.

REGISTERING TO PARTICIPATE

Persons who expect to actively participate in this proceeding should register as Intervenor with the Commission, in writing or electronic submission, by Friday, October 10, 2008, identifying their interest in the Application and identify the issues that they intend to pursue and the nature and extent of their anticipated involvement in the review process. Intervenor comments on the further regulatory review process of the

Application and Preliminary Regulatory Timetable are also due in writing to the Commission by Friday, October 10, 2008.

Persons not expecting to actively participate, but who have an interest in the proceeding should register as Interested Parties with the Commission, in writing or electronic submission, by Friday, October 10, 2008, identifying their interest in the Application.

FURTHER INFORMATION

For further information, please contact Ms. Erica M. Hamilton, Commission Secretary, or Mr. Philip Nakoneshny, Director, Rates and Finance, as follows:

Telephone:	(604) 660-4700	E-mail:	commission.secretary@bcuc.com
Facsimile:	(604) 660-1102	Telephone:	(B.C. Toll Free) 1-800-663-1385