

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-24-09

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

and

**An Application by Terasen Gas Inc.
Regarding Propane Commodity Charges effective April 1, 2009
for the Revelstoke Service Area**

BEFORE: L.F. Kelsey, Commissioner
P.E. Vivian, Commissioner March 12, 2009
D.A. Cote, Commissioner

WHEREAS:

- A. By Order G-189-08 the British Columbia Utilities Commission (the "Commission") decreased the propane commodity rates for the Terasen Gas Inc. ("Terasen Gas") Revelstoke Service Area ("Revelstoke") effective January 1, 2009; and
- B. On March 4, 2009, Terasen Gas filed its 2009 First Quarter Gas Cost Report for Revelstoke and on March 9, 2009, filed its Revised 2009 First Quarter Gas Cost Report ("Revised 2009 First Quarter Report"); and
- C. Terasen Gas provided three sets of forward prices for the forecast cost of propane. One forecast was based 50 percent on the NYMEX West Texas Intermediate ("WTI") light sweet crude oil futures and 50 percent on the NYMEX Mt. Belvieu propane futures, the second was based 100 percent on the NYMEX WTI light sweet crude oil futures, and the third was based 100 percent on the NYMEX Mt. Belvieu propane futures; and
- D. Using a propane price forecast based on the average of 50 percent of the February 24, 2009 NYMEX WTI light sweet crude oil futures and 50 percent of the February 24, 2009 NYMEX Mt. Belvieu propane futures, and using the existing Revelstoke rates, the projected before tax credit deferral account balance at March 1, 2009 of \$537,897 surplus is forecast to change to a before tax credit balance of \$755,013 at March 31, 2010. The rate change trigger mechanism is calculated to be 148.5 percent which does not fall within the deadband range of 95 percent to 105 percent set out in Letter L-05-01; and
- E. In the Revised 2009 First Quarter Report, Terasen Gas requests a propane reference price decrease from \$0.3105 per litre to \$0.2091 per litre, which is a reduction of \$0.1014 per litre corresponding to a rate decrease of \$4.150 per gigajoule, effective April 1, 2009. This equates to a decrease of approximately \$208 or 21.4 percent in the annual bill of a typical residential customer, based on consumption of 50 gigajoules annually; and

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F. The Commission has determined that the requested changes to the propane reference price and propane rates for Revelstoke should be approved.

NOW THEREFORE pursuant to section 61(4) of the Utilities Commission Act, the Commission approves a propane reference price decrease from \$0.3105 per litre to \$0.2091 per litre and a decrease of \$4.150 per gigajoule in customer rates for Revelstoke, effective April 1, 2009. Terasen Gas will inform all customers affected by the rate change.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of March 2009.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner