

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-22-09

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

and

**a Filing by Terasen Gas (Vancouver Island) Inc.
of its 2009 First Quarter Gas Costs Report**

BEFORE:

L.F. Kelsey, Commissioner
P.E. Vivian, Commissioner
D.A. Cote, Commissioner

March 12, 2009

O R D E R

WHEREAS:

- A. On March 5, 2009, pursuant to British Columbia Utilities Commission ("Commission") Orders G-2-03 and G-42-03, Terasen Gas (Vancouver Island) Inc. ("TGVI") filed its 2009 First Quarter Gas Costs Report ("Report") and the Annual Revenue Surplus/Deficiency. In the Report TGVI outlines the forecast gas costs, the competitive market prices, the current and forecast balance of the Gas Cost Variance Account ("GCVA") and the current and forecast Annual Revenue Surplus/Deficiency; and
- B. Based on the February 24, 2009 forward prices for natural gas, the annual outlook indicates that the GCVA is forecast to be at a surplus balance of approximately \$5.8 million before tax at year end while the revenue surplus is forecast to be approximately \$9.7 million; and
- C. TGVI proposes no changes to rates at this time; and
- D. Commission Order G-192-08 approved the TGVI 2008 Settlement Update with respect to setting customer rates effective January 1, 2009 and in Direction #7 stated that: *"TGVI is to track the monthly activity in the Revenue Deficiency Deferral Account ("RDDA") and when the account has reached a projected year-end actual balance, TGVI is to file, within 30 days, a proposal to the Commission for the disposition of the surplus collected along with the recommended rate changes. TGVI is to provide a copy of the proposal to the Intervenor that have registered for the 2008 Settlement Update Meeting" (the "Proposal")*; and
- E. The Report forecasts a 2009 revenue surplus of \$9.7 million that when combined with the preliminary opening balance of the RDDA as of January 1, 2009 indicates that the RDDA will be reduced to zero by the end of December 2009; and

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- F. TGVl requests that it not be required to file the Proposal within 30 days of the Report but that the disposition of any RDDA surplus collected and rate changes be part of the 2010/2011 Revenue Requirements and Rate Design Application ("2010/2011 RRA/RDA") which TGVl intends to file with the Commission in June 2009; and
- G. In TGVl's view, filing the Proposal as part of the 2010/2011 RRA/RDA provides for administrative efficiency and allows TGVl to more appropriately analyze the implications of the expected British Columbia Hydro and Power Authority electricity rate changes effective April 1, 2009. These factors would be incorporated into the results of TGVl's proposals for rates and disposition of any forecast surplus at that time; and
- H. The Commission has reviewed the Report, Order G-192-08 and considered the efficiency of examining the Proposal as part of the RRA/RDA.

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

- 1. Rates are to remain unchanged.
- 2. TGVl is to file its proposal for the disposition of any RDDA surplus collected and rate changes as part of its 2010/2011 RRA/RDA, subject to Directive No. 3.
- 3. In the event that the TGVl decides to file the 2010/2011 RRA/RDA later than June 30, 2009, the Proposal is to be filed immediately.

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