



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-147-09**

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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.
Fort Nelson Service Area
for Deferral Account Treatment for 2010**

BEFORE: L.F. Kelsey, Commissioner
P.E. Vivian, Commissioner December 3, 2009
D.A. Cote, Commissioner

O R D E R

WHEREAS:

- A. British Columbia Utilities Commission ("Commission") Order G-172-08 approved the Terasen Gas Inc. ("TGI" or the "Company") 2009 Revenue Requirement Application for the Fort Nelson Service Area; and
- B. On May 15, 2009, TGI, Terasen Gas (Vancouver Island) Inc. and Terasen Gas (Whistler) Inc. (the "Terasen Utilities") filed a Return on Equity and Capital Structure Application (the "ROE Application"); and
- C. On June 15, 2009, TGI filed a 2010-2011 Revenue Requirement Application (the "TGI RRA"); and
- D. On June 24, 2009, Commission Order G-78-09 with respect to the ROE Application ordered that the rates for the Terasen Utilities be made interim effective July 1, 2009; and
- E. On November 26, 2009, Commission Order G-141-09 approved the TGI RRA; and
- F. On October 8, 2009, TGI submitted to the Commission an Application for Deferral Account Treatment for 2010 for the Fort Nelson Service Area (the "Application"); and
- G. The Application sought approval for the continuation of existing deferral accounts and the creation of two new rate base deferral accounts, the disposition of which would be determined in a future revenue requirement application:
 - 2010 IFRS Transitional Deferral Account to capture (1) the impact of the change in depreciation rates as determined in the TGI RRA for 2010, (2) the impact of the change in overheads capitalized rate as determined in the TGI RRA for 2010, and (3) any unanticipated IFRS impacts.

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- ROE & Capital Structure Deferral Account to capture the impacts of the ROE Application decision on the rates for the Fort Nelson Service Area; and
- H. The Application sought approval on a permanent basis, effective January 1, 2010 to decrease the RSAM rate rider from \$0.236/GJ by \$0.199/GJ for a total rate rider of \$0.037/GJ; and
- I. The Application sought approval for the continuation in 2010 of the current 2009 delivery rates for the Fort Nelson Service Area; and
- J. The Commission has reviewed the Application and has determined that approval is warranted.

NOW THEREFORE pursuant to section 58, 60, and 61 of the *Utilities Commission Act*, the Commission orders as follows:

1. TGI is to continue in 2010 the delivery rates for the Fort Nelson Service Area set by Order G-172-08 except that, effective January 1, 2010, the RSAM rate rider is to be decreased from \$0.236/GJ to \$0.037/GJ.
2. A 2010 IFRS Transitional Deferral Account is established for the Fort Nelson Service Area is proposed in the Application to capture (1) the impact of the change in depreciation rates as determined in the TGI RRA for 2010, (2) the impact of the change in overheads capitalized rate as determined in the TGI RRA for 2010, and (3) any unanticipated IFRS impacts determined by the application of accounting policies approved for use by TGI.
3. A ROE and Capital Structure Deferral Account as proposed in the Application is established for the Fort Nelson Service Area to capture any impacts of the ROE Application decision on the rates for the Fort Nelson Service Area.
4. TGI is to notify its customers in the Fort Nelson Service Area about the rate rider changes by a bill message.
5. TGI is to file amended Gas Tariff Rate Schedules for the Fort Nelson Service Area in accordance with this Order in a timely manner.

DATED at the City of Vancouver, in the Province of British Columbia, this 3rd day of December 2009.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner