

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-76-09**

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

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 of 2010 and 2011 Revenue Requirements and Delivery Rates**

BEFORE: A.W.K. Anderson, Panel Chair/Commissioner
D.A. Cote, Commissioner June 18, 2009
M.R. Harle, Commissioner

ORDER

WHEREAS:

- A. On June 15, 2009, Terasen Gas Inc. ("Terasen Gas") filed for approval of interim and permanent delivery rates effective January 1, 2010 and January 1, 2011 (the "Application") pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act* (the "Act"), representing an increase of 5.3 percent for 2010 and 4.1 percent for 2011; and
- B. Terasen Gas seeks other approvals in the Application, including orders pursuant to sections 59 to 61 of the Act, approving Tariff changes effective January 1, 2010 for Compression and Refueling and Transportation Services for Natural Gas Vehicles, and economic models for evaluating biogas projects and alternative energy extensions for geo-exchange, solar thermal and district energy systems to complement its core natural gas business; and
- C. The interim and permanent delivery rates sought in the Application are subject to adjustment for any changes in Terasen Gas' allowed return on equity and capital structure; and
- D. Terasen Gas proposes a written hearing process to address the Application but is open to a negotiated settlement process addressing all of the issues; and
- E. Terasen Gas proposes that a Workshop to review the Application be held on Monday, July 6, 2009 at the British Columbia Utilities Commission ("Commission") Hearing Room on the Twelfth Floor, 1125 Howe Street, Vancouver, BC; and
- F. Terasen Gas proposes that a Procedural Conference be held on Thursday, July 9, 2009 at the Commission Hearing Room on the Twelfth Floor, 1125 Howe Street, Vancouver, BC; and

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-76-09

2

- G. Terasen Gas proposes a draft Regulatory Timetable attached as Appendix A for discussion at the Procedural Conference; and
- H. The Commission considers that establishing a Workshop to review the Application and a Procedural Conference to determine the appropriate regulatory process for the review of the Application is warranted.

NOW THEREFORE the Commission orders as follows:

- 1. Pursuant to section 89 of the Act, interim rates for all non-bypass customers as proposed in the Application for 2010 are not approved at this time. The Commission will receive submissions on the proposed interim rates at the Procedural Conference.
- 2. A Workshop to review the Application will be held on Monday, July 6, 2009, commencing at 9:00 a.m. in the Commission Hearing Room on the Twelfth Floor, 1125 Howe Street, Vancouver, BC.
- 3. A Procedural Conference regarding the regulatory process for the review of the Application will be held on Wednesday, July 15, 2009, commencing at 9:00 a.m. in the Commission Hearing Room on the Twelfth Floor, 1125 Howe Street, Vancouver, BC.

The Procedural Conference will address matters which will include, but not limited to, the following:

- a. identification of principle issues arising from or related to the Application
- b. process options for review of the Application, including,
 - oral public hearing
 - negotiated settlement process
 - written hearing
 - or, as appropriate, some combination of the above
- c. timetable (information requests, responses, intervenor evidence, etc.)
- d. location(s) of the proceedings,
- e. interim rates, and
- f. other matters that will assist the Commission to efficiently review all aspects of the Application.

After the Procedural Conference, the Commission will issue a further procedural order and regulatory agenda for the review of the Application.

- 4. The Commission requires Terasen Gas to publish, as soon as possible, in display-ad format, the Notice attached as Appendix B to this Order, in the Vancouver Sun, the Province, the Victoria Times Colonist and such other appropriate local news publications as may properly provide adequate notice to customers served in the affected service area.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-76-09

3

5. The Application, together with any supporting materials, will be made available for inspection at the Terasen Gas Office, 16705 Fraser Highway, Surrey, BC, V4N 0E8, at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3 and will also be available on the Terasen Gas website.
6. Intervenors or Interested Parties should register with the Commission, in writing or by electronic submission, by Monday, July 6, 2009, and advise whether they intend to attend either or both the Workshop and/or the Procedural Conference. Intervenors should specifically state the nature of their interest in the Application and identify generally the nature of the issues that they may intend to pursue during the proceeding and the nature and extent of their anticipated involvement in the review process.

DATED at the City of Vancouver, In the Province of British Columbia, this 19th day of June 2009.

BY ORDER

Original signed by:

A.W.K. Anderson
Panel Chair/Commissioner

Attachments

An Application by Terasen Gas Inc.
for Approval of 2010 and 2011 Revenue Requirements and Delivery Rates

REGULATORY TIMETABLE

DRAFT

Action	Date (2009)
File Application	Monday, June 15
Procedural Order (up to Procedural Conference)	Thursday, June 18
Intervenor Registration	Monday, July 6
Workshop	Monday, July 6
Procedural Conference	Wednesday, July 15
Procedural Order (Timetable and Process)	Wednesday, July 15
BCUC Information Request No. 1	Thursday, July 16
Intervenor Information Request No. 1	Thursday, July 23
TGI Response to Information Requests No. 1	Friday, August 14
BCUC Information Request No. 2	Thursday, August 27
Intervenor Information Request No. 2	Thursday, August 27
TGI Response to Information Requests No. 2	Friday, September 11
Negotiated Settlement Process or Hearing (proposed date range)	Monday, October 19 to Friday, October 30
TGI Final Submissions	Friday, November 13
Intervenor Final Submissions	Friday, November 27
TGI Reply Submissions	Monday, December 7
Anticipated BCUC Decision	Friday, January 15, 2010

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



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

An Application by Terasen Gas Inc.
for Approval of 2010 and 2011 Revenue Requirements and Delivery Rates

NOTICE OF WORKSHOP AND PROCEDURAL CONFERENCE

Date: Workshop: Monday, July 6, 2009
Procedural Conference: Wednesday, July 15, 2009

Time: 9:00 a.m.

Location: BC Utilities Commission Hearing Room
12th Floor, 1125 Howe Street
Vancouver, BC

THE APPLICATION

On June 15, 2009, Terasen Gas Inc. ("Terasen Gas") filed for approval of interim and permanent delivery rates for 2010 and 2011 (the "Application") pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act*. The Application seeks approval for:

- An increase in permanent rates of 5.3 percent effective January 1, 2010, based on an increased revenue requirement of \$27.9 million; and an increase in permanent rates of 4.1 percent effective January 1, 2011, based on a further increased revenue requirement of \$21.9 million. The proposed rates will increase the annual bill of an average Lower Mainland residential customer by approximately 2.8 percent or \$31 in 2010 and an additional 1.7 percent or \$19 in 2011.
- Interim rates for all non-bypass customers as proposed in this Application for 2010 effective January 1, 2010 have not been approved at this time. The Commission will receive submissions on the proposed interim rates at the Procedural Conference.

The Application also seeks other approvals including:

- new Tariff offerings and fee structures
- economic models and regulatory processes for evaluating biogas projects and alternative energy extensions

- changes to the Earnings Sharing Mechanism rider
- changes to the Rate Stabilization Adjustment Mechanism rider
- Energy Efficiency and Conservation Expenditures
- changes in thresholds for new Capital projects requiring a Certificate of Public Convenience and Necessity
- changes to various accounting policies, pricing/financial methodologies and deferral accounts

THE REGULATORY PROCESS

The British Columbia Utilities Commission (“Commission”) has established a Workshop, a Procedural Conference and a DRAFT Regulatory Timetable for the regulatory review of the Application. The DRAFT Regulatory Timetable can be viewed on the Commission’s website at www.bcuc.com.

Terasen Gas will hold a Workshop on Monday, July 6, 2009 commencing at 9:00 a.m. in the Commission Hearing Room on the Twelfth Floor, 1125 Howe Street, Vancouver, BC.

The Commission will hold a Procedural Conference regarding the further regulatory process for the review of the Application on Wednesday, July 15, 2009 commencing at 9:00 a.m. in the Commission Hearing Room on the Twelfth Floor, 1125 Howe Street, Vancouver, BC.

INTERVENTION

Persons who expect to actively participate in the Terasen Gas proceeding should register as Intervenor with the Commission, and should identify the issues that they intend to pursue as well as the nature and extent of their anticipated involvement in the review process indicating whether they plan to attend either or both the Workshop and/or the Procedural Conference. Intervenor will receive email notice of all correspondence, filed documentation and should provide an e-mail address, if available.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as Interested Parties.

Intervenor and Interested Parties should register in writing, no later than Monday, July 6, 2009. Notification by mail, courier delivery, fax or e-mail is acceptable.

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission’s web site.

PUBLIC INSPECTION OF THE DOCUMENTS

The Application and supporting materials will be available for inspection at the following locations:

British Columbia Utilities Commission

Sixth Floor, 900 Howe Street

Vancouver, BC V6Z 2N3

Telephone: 1-800-663-1385

Internet: www.bcuc.com

Terasen Gas Inc.

16705 Fraser Highway

Surrey, BC V6N 0E8

Internet: www.terasengas.com

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.

For further information, please contact Ms. Erica Hamilton, Commission Secretary, as follows:

Telephone: (604) 660-4700

Facsimile: (604) 660-1102

BC Toll Free: 1-800-663-1385

E-mail: Commission.Secretary@bcuc.com