

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-102-10**

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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 (Whistler) Inc.
Regarding Gas Cost Recovery Charge effective July 1, 2010

BEFORE: D.A. Cote, Commissioner June 10, 2010
L.F. Kelsey, Commissioner

WHEREAS:

- A. On November 9, 2009, Terasen Gas (Whistler) Inc. (TGW) applied to the British Columbia Utilities Commission (Commission) for approval of its 2010-2011 Revenue Requirements and Rates Application (the Revenue Requirements Application) to amend its rates, effective January 1, 2010, pursuant to sections 58, 60, 61 and 89 of the *Utilities Commission Act* (the Act); and
- B. By Order G-136-09 dated November 19, 2009, the Commission approved, on an interim basis, TGW's unbundling of the General Service Rate into the following components:
 - a) Basic Charge per Month of \$7.50 effective January 1, 2010;
 - b) Delivery Charge per gigajoule of \$11.981 commencing January 1, 2010 (subject to any changes flowing from a Commission decision in the jointly filed Terasen Utilities Return on Equity and Capital Structure Application [the ROE Application]);
 - c) Gas Cost Recovery Charge per gigajoule of \$7.882 (to be reset after Commission review of the TGW 2009 Fourth Quarter Gas Cost Report) and a credit Rate Rider A of \$1.817 per gigajoule, subject to quarterly review and resetting, as appropriate both effective January 1, 2010; and
 - d) A Minimum Monthly Charge of \$7.50 effective January 1, 2010.

Any interim tariff adjustment to components (b)-(c) due to conditions indicated above, should be calculated and filed with the Commission as soon as possible but no later than December 12, 2009; and

- C. By Order G-153-09, dated December 10, 2009, the Commission approved setting the interim Gas Cost Recovery Charge to \$6.691 per gigajoule, effective January 1, 2010, as filed within the TGW Revised 2009 Fourth Quarter Gas Cost Report dated December 7, 2009; and
- D. On December 16, 2009, the Commission issued its Decision on the ROE Application, concurrently with Commission Order G-158-09, wherein the Commission approved the Benchmark Return on Equity to be used in establishing the return on equity for TGW, effective July 1, 2009. Accordingly, Rate Rider B was set at \$0.034/GJ effective January 1, 2010 to recover, over the period January 1, 2010 to March 31, 2010, the 2009 revenue deficiency resulting from the Commission approval of permanent rates for the period July 1, 2009 to December 31, 2009 for the 2009 return on equity; and
- E. By Order G-40-10, dated March 11, 2010, the Commission approved, as requested within the TGW 2010 First Quarter Gas Cost Report, dated March 8, 2010, the following changes to TGW interim rates:
 - a) Approval for a \$0.323/GJ increase in the Gas Cost Recovery Charge, to a rate of \$7.014/GJ, effective April 1, 2010;
 - b) Approval for a \$0.323/GJ decrease in Rate Rider A, to a rate of \$2.140/GJ refund amount, effective April 1, 2010;
 - c) Approval to reset the Rate Rider B amount to zero, effective April 1, 2010; and
- F. On June 3, 2010, TGW filed its 2010 Second Quarter Gas Cost Report on the Gas Cost Recovery Charge, based on the May 25, 2010 forward prices, and the Rate Rider A deferral refund rider for the Whistler Service Area effective July 1, 2010 (the 2010 Second Quarter Report); and
- G. The 2010 Second Quarter Report requested Commission approval of the following items related to interim rates effective July 1, 2010:
 - a) Approval for a \$0.672/GJ decrease in the Gas Cost Recovery Charge, to a rate of \$6.342/GJ, effective July 1, 2010;
 - b) Approval for a \$0.672/GJ increase in Rate Rider A, to a rate of \$1.468/GJ refund amount, effective July 1, 2010; and
- H. The proposed changes to the Gas Cost Recovery Charge and to Rate Rider A, effective July 1, 2010, are equal and offsetting, thereby having no impact on customers' bills; and

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- I. The Commission has determined that the requested changes, as outlined in the 2010 Second Quarter Report, should be approved.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves, as requested within the 2010 Second Quarter Report, the following changes to TGW interim rates:
 - a) Approval for a \$0.672/GJ decrease in the Gas Cost Recovery Charge, to a rate of \$6.342/GJ, effective July 1, 2010.
 - b) Approval for a \$0.672/GJ increase in Rate Rider A, to a rate of \$1.468/GJ refund amount, effective July 1, 2010.
2. TGW is not required to provide a customer notice as the administrative changes to the TGW tariff components, namely the Gas Cost Recovery Charge and Rate Rider A, effective July 1, 2010, are equal and offsetting, and have no impact on customers' bills.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of June 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner