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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-190-10**

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

and

**An Application by Terasen Gas Inc.
regarding 2010 Fourth Quarter Gas Cost Report and
Rate Changes effective January 1, 2011 for the Fort Nelson Service Area**

BEFORE: L.F. Kelsey, Commissioner
D.A. Cote, Commissioner December 9, 2010
N.E. MacMurchy, Commissioner
D. Morton, Commissioner

O R D E R

WHEREAS:

- A. By Order G-100-10 dated June 10, 2010 the British Columbia Utilities Commission (the Commission) approved the Gas Cost Recovery Charge for the Fort Nelson Service Area, effective July 1, 2010;
- B. On September 8, 2010, Terasen Gas Inc. (Terasen Gas) Fort Nelson Service Area submitted its 2011 Revenue Requirements Application seeking approval to recover a revenue deficiency through an increase in its delivery rates and to decrease the Revenue Stabilization Adjustment Mechanism (RSAM) rate rider effective January 1, 2011;
- C. By Order G-173-10 dated November 26, 2010, the Commission approved on an interim basis and effective January 1, 2011, for the Fort Nelson Service Area an increase in the delivery rates and a decrease in the RSAM rate rider;
- D. On December 2, 2010, pursuant to Commission Letter L-5-01, Terasen Gas filed its 2010 Fourth Quarter Report on the Gas Cost Reconciliation Account (GCRA) balance and Gas Cost Recovery Charges for the Fort Nelson Service Area effective January 1, 2011, that were based on the five-day average of the November 17, 18, 19, 22, and 23, 2010 forward prices (the 2010 Fourth Quarter Report);
- E. The 2010 Fourth Quarter Report forecasted that gas cost recoveries at current rates would be 115.3 percent of costs for the following 12 months, and requested approval for a decrease of \$0.769/GJ to the gas cost recovery charges for natural gas customer in Fort Nelson Service Area, effective January 1, 2011;

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- F. On a combined basis, the approved interim delivery related rate changes and the proposed gas cost recovery rate changes, effective January 1, 2011, equate to a decrease to a typical residential customer's annual bill, based on an annual consumption of 140 GJ, of approximately \$39 or 3.4 percent;
- G. Terasen Gas requests that the forecast gas cost information in Tab 5 of the Application be held confidential, on the basis that it contains market sensitive information;
- H. The Commission has determined that the requested changes, as outlined in the 2010 Fourth Quarter Report, should be approved.

NOW THEREFORE pursuant to section 61(4) of the *Utilities Commission Act*, the Commission orders as follows:

1. The Commission approves a \$0.769/GJ decrease in the Gas Cost Recovery Charge for Fort Nelson Service Area to \$5.015/GJ effective January 1, 2011, as set out in Terasen Gas' 2010 Fourth Quarter Report for Fort Nelson Service Area.
2. Terasen Gas is to explain the nature of the changes by way of a bill insert and customer notice, to be submitted to the Commission for review prior to its release.
3. The Commission will hold the information in Tab 5 of the Application confidential.

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

BY ORDER

Original signed by:

D.A. Cote
Commissioner