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**VIA E-MAIL**

*Regulatory.Affairs@terasengas.com*

March 13, 2009

Mr. Tom Loski  
Chief Regulatory Officer  
Terasen Gas Inc.  
16705 Fraser Highway  
Surrey, BC V4N 0E8

Dear Mr. Loski:

Re: Terasen Gas Inc.  
First Quarter Gas Cost Report

Further to your March 4, 2009 filing [revised April 9, 2009] of the First Quarter Gas Cost Report for the Revelstoke Service area, enclosed please find Commission Order G-24-09.

Yours truly,

A handwritten signature in black ink, appearing to read "Erica M. Hamilton".

Erica M. Hamilton

dlf  
Enclosure



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER**                      **G-24-09**

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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.  
Regarding Propane Commodity Charges effective April 1, 2009  
for the Revelstoke Service Area**

**BEFORE:**                      L.F. Kelsey, Commissioner  
   P.E. Vivian, Commissioner                      March 12, 2009  
   D.A. Cote, Commissioner

**WHEREAS:**

- A. By Order G-189-08 the British Columbia Utilities Commission (the "Commission") decreased the propane commodity rates for the Terasen Gas Inc. ("Terasen Gas") Revelstoke Service Area ("Revelstoke") effective January 1, 2009; and
- B. On March 4, 2009, Terasen Gas filed its 2009 First Quarter Gas Cost Report for Revelstoke and on March 9, 2009, filed its Revised 2009 First Quarter Gas Cost Report ("Revised 2009 First Quarter Report"); and
- C. Terasen Gas provided three sets of forward prices for the forecast cost of propane. One forecast was based 50 percent on the NYMEX West Texas Intermediate ("WTI") light sweet crude oil futures and 50 percent on the NYMEX Mt. Belvieu propane futures, the second was based 100 percent on the NYMEX WTI light sweet crude oil futures, and the third was based 100 percent on the NYMEX Mt. Belvieu propane futures; and
- D. Using a propane price forecast based on the average of 50 percent of the February 24, 2009 NYMEX WTI light sweet crude oil futures and 50 percent of the February 24, 2009 NYMEX Mt. Belvieu propane futures, and using the existing Revelstoke rates, the projected before tax credit deferral account balance at March 1, 2009 of \$537,897 surplus is forecast to change to a before tax credit balance of \$755,013 at March 31, 2010. The rate change trigger mechanism is calculated to be 148.5 percent which does not fall within the deadband range of 95 percent to 105 percent set out in Letter L-05-01; and
- E. In the Revised 2009 First Quarter Report, Terasen Gas requests a propane reference price decrease from \$0.3105 per litre to \$0.2091 per litre, which is a reduction of \$0.1014 per litre corresponding to a rate decrease of \$4.150 per gigajoule, effective April 1, 2009. This equates to a decrease of approximately \$208 or 21.4 percent in the annual bill of a typical residential customer, based on consumption of 50 gigajoules annually; and

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F. The Commission has determined that the requested changes to the propane reference price and propane rates for Revelstoke should be approved.

**NOW THEREFORE** pursuant to section 61(4) of the Utilities Commission Act, the Commission approves a propane reference price decrease from \$0.3105 per litre to \$0.2091 per litre and a decrease of \$4.150 per gigajoule in customer rates for Revelstoke, effective April 1, 2009. Terasen Gas will inform all customers affected by the rate change.

**DATED** at the City of Vancouver, in the Province of British Columbia, this *13<sup>th</sup>* day of March 2009.

BY ORDER



L.F. Kelsey  
Commissioner