



ERICA M. HAMILTON
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

Log No. 26800, 26746

VIA E-MAIL
Regulatory.Affairs@terasengas.com

September 11, 2008

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

Dear Mr. Loski:

Re: Terasen Gas Inc.
Fort Nelson Service Area
Gas Cost Reconciliation Account and 2008 Third Quarter Gas Cost Report

Further to your September 4, 2008 filing of the third quarter gas cost report for the Fort Nelson service area, enclosed is Commission Order G-128-08.

Yours truly,

A handwritten signature in black ink, appearing to read "Constance M. Smith". The signature is written in a cursive style with a large initial "C".

Constance M. Smith

for: Erica M. Hamilton

Enclosure

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



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-128-08

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

Filings by Terasen Gas Inc. regarding
2008 Third Quarter Gas Costs Report
and Rate Changes effective October 1, 2008
for the Fort Nelson Service Area

BEFORE: L.F. Kelsey, Commissioner
A.A. Rhodes, Commissioner September 11, 2008
P.E. Vivian, Commissioner

O R D E R

WHEREAS:

- A. By Order G-95-08 dated June 13, 2008, the Commission approved the Gas Cost Recovery Charge for the Fort Nelson Service Area; and
- B. On September 4, 2008, pursuant to Commission Letter L-5-01, Terasen Gas Inc. ("Terasen Gas" or "TGI") filed its 2008 Third Quarter Report on the Gas Cost Reconciliation Account ("GCRA") balance and gas commodity recovery charges for the Fort Nelson Service Area effective October 1, 2008, that were based on August 27, 2008 forward gas prices (the "2008 Third Quarter Report"); and
- C. The 2008 Third Quarter Report forecasts that gas commodity charges at current rates would be 120.5 percent of costs for the following 12 months; and has requested a decrease of \$1.726/GJ in gas commodity recovery charges for natural gas customers in Fort Nelson Service Area, effective October 1, 2008. This equates to a decrease to a residential customer's annual bill, based on an annual consumption of 160 GJ, by approximately \$276 or 14.5 percent; and
- D. On September 9, 2008, Terasen Gas filed a Revised 2008 Third Quarter Report on the GCRA balance and gas commodity recovery charges for the Fort Nelson Service Area effective October 1, 2008, that were based on September 5, 2008 forward prices (the "Revised 2008 Third Quarter Report"); and

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-128-08

2

- E. The Revised 2008 Third Quarter Report requested a decrease of \$2.073/GJ in gas commodity recovery charges for natural gas customers in the Fort Nelson Service Area, effective October 1, 2008. This equates to a decrease to a residential customer's annual bill, based on an annual consumption of 160 GJ, by approximately \$332 or 17.5 percent; and
- F. The Commission concludes that the requested changes as outlined in the Revised 2008 Third 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 \$2.073/GJ decrease in the Gas Cost Recovery Charge for the Fort Nelson Service Area to \$8.078/GJ effective October 1, 2008, as set out in Terasen Gas' Revised 2008 Third Quarter Report for the Fort Nelson Service Area.
2. Terasen Gas will notify all customers that are affected by the rate changes with a bill insert or bill message to be included with the next monthly gas billing.

DATED at the City of Vancouver, In the Province of British Columbia, this 11th day of September 2008.

BY ORDER



L.F. Kelsey
Commissioner