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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-71-11**

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

and

An Application by FortisBC Energy (Whistler) Inc.  
for Approval of Interim Rates on a Permanent Basis  
from the 2010-2011 Revenue Requirements and Rates Application Decision dated October 25, 2010  
and Order G-138-10 dated September 1, 2010

**BEFORE:** L.F. Kelsey, Commissioner  
D. Morton, Commissioner

April 21, 2011

**WHEREAS:**

- A. On November 9, 2009, FortisBC Energy (Whistler) Inc. (FEW), as Terasen Gas (Whistler) Inc., applied to the British Columbia Utilities Commission (Commission) for approval of its 2010-2011 Revenue Requirements and Rates Application (the Application) to amend its rates, effective January 1, 2010, pursuant to sections 58, 60, 61 and 89 of the *Utilities Commission Act* (the Act);
- B. On September 1, 2010, the Commission issued Order G-138-10 (the Order), establishing interim rates for Whistler;
- C. On October 15, 2010, pursuant to Directive 3 of the Order, FEW submitted its compliance filing with amended financial schedules;
- D. Directive 4 of the Order established that the revised interim rates would remain in effect until all Pipeline component costs are finalized or until addressed by further order of the Commission;
- E. Directive 5 of the Order established that any differences between 2010 interim and permanent delivery rates that are determined by the application of this Order or by the Commission following final disposition of the outstanding Pipeline costs or upon issuance of a further order making rates permanent, those amounts are subject to refund/recovery, with interest at the average prime rate of FEW's principal bank, as soon as practicable, in the manner as set out by a Commission Order that establishes permanent rates;
- F. On October 25, 2010, the Commission issued its Reasons for Decision (the Decision) as Appendix A to the Order, reiterating the Directives 3 to 5 of the Order;

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- G. On April 14, 2011, FEW applied for approval of the interim rates on a permanent basis, and proposed the creation of a rate-base deferral account, entitled "Pipeline Contribution Cost Variance Deferral Account" to record any differences between:
- a) the cost of service from April of 2009 to December 31, 2011 associated with the Pipeline Contribution that is included in the calculation of the interim rates (\$17.034 million), and
  - b) the cost of service from April of 2009 to December 31, 2011 associated with the final Pipeline Contribution amount.
- H. FEW proposes to provide as part of its upcoming revenue requirements application an estimate of the final contribution amount and that the forecast balance in the Pipeline Contribution Cost Variance Deferral Account (the Forecast Balance) be returned to customers in 2012 with the difference, if any, between that Forecast Balance returned to customers in 2012 rates, and the final actual balance in that account once the final Pipeline contribution is known, remain recorded in that account for disposition in a future revenue requirements application;
- I. The Commission has reviewed the Application and concludes that the Application should be approved.

**NOW THEREFORE** pursuant to section 58, 59, 60, and 61 of the *Utilities Commission Act*, the Commission orders as follows:

1. The revised interim delivery rate for 2010, as filed in the October 15, 2010 compliance filing, effective November 1, 2010 of \$11.314 per gigajoule, on a permanent basis, effective January 1, 2010.
2. The revised interim delivery rate for 2011, as filed in the October 15, 2010 compliance filing, effective January 1, 2011 of \$10.440 per gigajoule, on a permanent basis, effective January 1, 2011.
3. Establishment of a rate-base deferral account (the Pipeline Contribution Cost Variance Deferral Account) to record any differences between:
  - a. the cost of service from April of 2009 to December 31, 2011 associated with the Pipeline Contribution that is included in the calculation of the interim rates (\$17.034 million), and
  - b. the cost of service from April of 2009 to December 31, 2011 associated with the final Pipeline Contribution amount.
4. As part of its upcoming revenue requirements application, FEW is to estimate the final contribution amount and that the forecast balance in the Pipeline Contribution Cost Variance Deferral Account (the Forecast Balance) be returned to customers in 2012 with the difference, if any, between that Forecast Balance returned to customers in 2012 rates, and the final actual balance in that account once the final Pipeline

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contribution is known, remain recorded in that account for disposition in a future revenue requirements application.

5. FEW is to file amended Gas Tariff Rate Schedules in accordance with this Order in a timely manner.

**DATED** at the City of Vancouver, in the Province of British Columbia, this        25<sup>th</sup>        day of April 2011.

BY ORDER

*Original signed by:*

L.F. Kelsey  
Commissioner