

BRITISH COLUMBIA UTILITIES COMMISSION

ORDER NUMBER

COM-7-81

PROVINCE OF BRITISH COLUMBIA

BRITISH COLUMBIA UTILITIES COMMISSION

IN THE MATTER OF the Utilities Commission Act, SBC 1980, c. 60

and

IN THE MATTER OF COM-16-80 and U-COM-3-80

BEFORE:

D.B. Kilpatrick,
Chairman;
J.D.V. Newlands,
Commissioner; and
B.M. Sullivan,
Commissioner
)

ORDER

WHEREAS the British Columbia Petroleum Corporation

("B.C.P.C.") was declared a common purchaser of natural gas

from the Stoddart Belloy "A" Pool ("Pool") by Order No. COM-16-80

(the "Common Purchaser Order") on September 9, 1980; and

WHEREAS the British Columbia Utilities Commission issued Order U-COM-3-80 which amended the Common Purchaser Order and included the following clause, amongst others:

"7. That portion of total pool production allocated to the new producer will be taken from the existing contracts in the pool in such proportions as will maintain the relative share of pool production of each existing producer prior to the effective date applicable to Wainoco, by such method and timing as may be agreed upon by the interested parties to achieve that result."; and

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WHEREAS the B.C.P.C. has advised the Commission that it has been unable to negotiate an allocation of contract volumes with existing producers to allow the production of natural gas in accordance with the Common Purchaser Order as amended by U-COM-3-80; and

WHEREAS the Commission concludes that in order to ensure that the intent of the Common Purchaser Order is met it must order the variation of the contracts of the producers subject to COM-16-80; and

NOW THEREFORE the Commission hereby orders as follows:

- 1. The obligation of B.C.P.C. to purchase gas from each contract providing for delivery of gas from the Pool shall be reduced at the time that the first effective date (determined pursuant to Order U-COM-3-80) occurs in respect of the Pool. The reduction shall apply to each contract in force at that time and shall be a percentage of the maximum volume of gas which B.C.P.C. is obliged at the time of reduction to purchase each day or each year (whichever is specified in the contract) applicable to lands within the Pool. The percentage shall be the same as the percentage which the daily gas allowables of the wells or designated areas of the contract of the new producer is of the total of the daily gas allowables for the Pool.
- 2. The obligation of B.C.P.C. to purchase gas from each contract providing for delivery of gas from the Pool shall be further reduced at the time that the second and each subsequent effective date occurs in respect of the Pool. The reduction shall apply to all contracts (other than contracts entered into pursuant to the Common Purchaser Order) in force at the time of each such effective date. The provisions of paragraph 1 shall apply mutatis mutandis in determining the amount of the reduction.
- 3. B.C.P.C. shall forward a copy of this order to each person who is a party to a contract which provides for delivery of gas from the Pool.

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DATED at the City of Vancouver, in the Province of British Columbia, this 13 th day of May, 1981.

BY ORDER

Chairman

Pursuant to

Utilities Commission Act Section 5.(5)