



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-17-89

PROVINCE OF BRITISH COLUMBIA

BRITISH COLUMBIA UTILITIES COMMISSION

IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

IN THE MATTER OF an Application by
Pacific Coast Energy Corporation for an
Energy Project Certificate to construct and
operate Natural Gas Pipeline Transmission
Facilities to and on Vancouver Island and
Commission Orders No. G-111-88, G-5-89 and
G-15-89

BEFORE: J.G. McIntyre,)
Chairman;)
N. Martin,) March 2, 1989
Commissioner;)
F.C. Leighton,)
Commissioner)

O R D E R

WHEREAS Commission Order No. G-111-88 dated
December 20, 1988 set down the Application by Pacific Coast Energy
Corporation ("PCEC") for public hearing to commence January 24, 1989, and
Order No. G-5-89 dated January 19, 1989, described the phasing of information
to be heard at the public hearing; and

WHEREAS Supplementary Terms of Reference No. 1 attached
to Order No. G-15-89 provided for an interim report to be submitted to the
Commission by the Lieutenant Governor in Council by March 14, 1989; and

WHEREAS PCEC advised by letter dated February 28, 1989
that any undue delays with the commencement of Phase III of the hearing will
prejudice the timely completion of the pipeline.

NOW THEREFORE pursuant to Section 20 of the Utilities
Commission Act the Commission hereby orders as follows:

1. The Commission requires PCEC to file with the Commission and serve the
following information by 10:00 a.m., Monday, March 6, 1989:

1.1 The Binding Agreement

1.1.1 A summary table of all financial arrangements as articulated
in the statement of principles and as they have been reflected
in the financial submission of PCEC.

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1.1.2 Assessment of the essential terms and conditions of the statement of principles needed for the project to proceed as offered in transcript page 43.

1.2 Gas Supply

PCEC is directed to supply the following that has previously been referred to in Exhibit 38, and elsewhere:

1.2.1 The letters of intent received from producers.

1.2.2 The draft agreements sent to producers.

1.2.3 A summary of discussions with producers that were "reactivated in January, 1989".

1.2.4 A summary of any discussions held with Unocal for gas storage agreements including prices and availability and any draft or final agreements between the parties.

1.3 Agreement with the Council of Forest Industries (Industrial Users)

1.3.1 PCEC must demonstrate its ability to sign the mills to a long-term agreement.

1.3.2 PCEC is directed to provide a table indicating a forecast for each of the 20-years of refinery gate heavy fuel oil process for high sulphur and low sulphur content, projected minimum prices of natural gas for high and low sulphur pricing assumptions. All prices are to be in gigajoule equivalent.

1.3.3 PCEC is also directed to file its curtailment assumptions used in developing the natural gas sales forecast.

1.4 Agreement with Local Distribution Companies ("LDC")

1.4.1 PCEC is directed to update its market material to reflect the ICG filing of its market forecast dated March 1, 1989 and the Squamish and Nanaimo material already filed.

1.5 Agreement with BC Gas Inc.

1.5.1 PCEC is directed to file the delivery pressure and pricing proposals made by each party.

1.6 Agreement with Westcoast Energy Inc.

1.6.1 PCEC is directed to advise what activities it will contract to Westcoast and what charges for such services, by item, are included in the financial material.

2. Phase III - Markets, Financial and Gas Supply segment of the hearing will commence at 9:00 a.m., Thursday, March 9, 1989.

DATED at the City of Vancouver, in the Province of British Columbia, this *9th* day of March, 1989.

BY ORDER


John G. McIntyre
Chairman