



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER..... G-92-91

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

and

IN THE MATTER OF Applications by
BC Gas Inc.

BEFORE: J.G. McIntyre,)
Chairman;)
J.D.V. Newlands,) September 23, 1991
Deputy Chairman; and)
N. Martin,)
Commissioner)

ORDER

WHEREAS:

- A. BC Gas Inc. ("BC Gas") applied August 8, 1991 for Commission approval of a methodology for the allocation of gas costs to its customer classes, and for the filing of BC Gas Large Volume, Gas Tariff Rate Schedules 10 and 13 and corresponding BC Gas Sales Agreements in the Lower Mainland and Inland Divisions effective November 1, 1991 ("the Applications"); and
- B. The filing of integrated Gas Tariff Rate Schedules 10 and 13 for large industrial customers represents an initial step towards the development of an integrated BC Gas Tariff designed for utilization throughout the Lower Mainland and Inland Division service areas; and
- C. On August 27, 1991, Commission staff chaired an informational meeting attended by customers and interested parties regarding the Applications pursuant to Order No. G-80-91; and
- D. On September 18, 1991 BC Gas acknowledged the concerns of customers and interested parties and recommended the freezing of certain interruptible industrial rates for a 1-year period prior to the setting of a public hearing; and
- E. The Commission understands that industrial interruptible customers require a level of assurance of gas prices and recognizes the advantage that interruptible sales offer to both the interruptible and the firm core market customers. Nevertheless, the Commission has determined that such issues should be dealt with in the public hearing process.
- F. On September 20, 1991 BC Gas responded to the concerns of customers and interested parties and indicated that it was opposed to the establishment of interim rates covering its gas purchase arrangements effective November 1, 1991; and
- G. The Commission has reviewed the Applications and information filed by the Applicant, customers and interested parties and has determined that a public hearing is required before a final determination on the Applications can be made; and
- H. BC Gas, in its letter to the Commission dated September 18, 1991, indicated that it proposed to file an Application for general rate relief in late November, 1991 and a Rate Design Application in 1992; and
- I. The Commission has further determined that it must establish an agenda to deal with the various Rate Design and Revenue Requirement Applications anticipated from BC Gas over the next year.

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NOW THEREFORE the Commission orders BC Gas as follows:

1. A public hearing into the August 8, 1991 BC Gas Applications for the establishment of a methodology for gas cost allocations to customer classes in the Lower Mainland and Inland Divisions is set down for 9:00 a.m., Tuesday, December 3, 1991 in the Commission Hearing Room, 6th Floor, 900 Howe Street, Vancouver, B.C. BC Gas is to provide the Commission with a draft Notice of the hearing, for use in newspapers, before October 8, 1991. This hearing will be considered as Phase A of a hearing into various rate design adjustments required by BC Gas. The scope of Phase A of the hearing will be limited to the following issues:
 - gas cost allocation methodology
 - Rate Schedules 10, 13 and related matters including Rate Schedule 22
 - confidentiality of gas purchase prices.
2. BC Gas is to file its updated Application for Phase A inclusive of the above-noted issues by October 15, 1991. The filing should also include an Executive Summary of the Applications. BC Gas is to file testimonies of its witnesses by October 28, 1991.
3. The request by BC Gas for the Commission to approve the fixing of gas prices for interruptible sales to the Inland Division non-captive large volume customers for the gas contract year commencing November 1, 1991 is denied.
4. The request by BC Gas to negotiate the gas contracting fee for interruptible gas sales to the Inland Division non-captive large industrial customers for the gas contract year commencing November 1, 1991 is denied.
5. The request by BC Gas to maintain the gas prices at existing levels for interruptible sales to the Inland Division captive large volume customers for the gas contract year commencing November 1, 1991, subject to any adjustments determined in a hearing on revenue requirements, is denied.
6. The request by BC Gas to maintain at existing levels the gas prices for interruptible sales to the Lower Mainland Division Rate Schedules 2501 and 2502 for the gas contract year commencing November 1, 1991, subject to any adjustments determined in a hearing on revenue requirements, is denied.
7. The request by BC Gas to establish a deferral account to capture the difference in margin that may occur if an interruptible sales customer in the Lower Mainland Division switches to interruptible transportation service is accepted effective October 1, 1991.
8. BC Gas is to establish a new deferral account to capture the difference between the actual cost of gas effective November 1, 1991 and the amounts collected in rates.
9. BC Gas is to file a Revenue Requirements Application on or before November 20, 1991 for its 1992 fiscal year.
10. BC Gas is to file, by June 1, 1992, an Application covering Phase B of rate design with respect to the rate structures in its Lower Mainland, Inland, Columbia and Fort Nelson Divisions.
11. The dates for public hearings on revenue requirements and Phase B of Rate Design will be set down by future Commission Orders, but they are expected to be held in March and September, 1992 respectively.

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12. Intervenors or interested parties are to register with the Commission Secretary by October 21, 1991 and file any submissions or evidence related to Phase A of Rate Design on or before October 28, 1991.
13. Information requests must be forwarded to the Applicant prior to November 4, 1991 with responses to be completed and filed by November 18, 1991.

DATED at the City of Vancouver, in the Province of British Columbia, this 1st day of October, 1991.

BY ORDER



John G. McIntyre
Chairman