



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER E-5-92

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,) April 29, 1992
Deputy Chairman; and)
N. Martin,)
Commissioner)

O R D E R

WHEREAS:

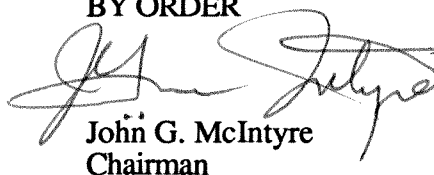
- A. On April 28, 1992 BC Gas Inc. ("BC Gas") applied for Commission approval of off-system gas sales for the month of May, 1992 to Poco Petroleum Ltd., Canadian Hunter Marketing Ltd., Unigas Corporation and Coastal Gas Marketing ("the Application"); and
- B. The Application will allow for the purchase of 65,284 MMBtu/day of BC Gas' excess capacity or "valley gas" for one month commencing May 1, 1992 thereby providing a contribution to reduce the costs allocated to core market customers as well as associated load factor benefits to long-term gas purchase contracts; and
- C. Deliveries to Canadian Hunter and Poco Petroleum require gas to be transported on the Inland Division system, under Rate Schedule 23 - Interruptible Transportation Service, through the East Kootenay Link to Alberta Natural Gas Co. Ltd.'s pipeline near Yahk, B.C.; and
- D. On April 22, 1992 BC Gas applied to the Commission for approval for revenues received from Rate Schedule 23 - Interruptible Transportation Service, arising from the sale of valley gas, to be treated as a contribution to the Utility's cost of service; and
- E. The Commission has reviewed the April 22 and 28, 1992 applications and finds that approval is appropriate and in the public interest.

NOW THEREFORE the Commission orders BC Gas as follows:

- 1. The Commission approves the Application covering the purchase of up to 65,284 MMBtu/day of BC Gas' excess capacity for the month of May, 1992 only, subject to the timely filing of executed contracts.
- 2. Core market contributions are to be accounted for in the deferral account established by Commission Order No. E-2-92.
- 3. Rate Schedule 23 - Interruptible Transportation Service margins for gas sales approved by Order No. E-4-92 and all subsequent sales of valley gas, are to be accounted for in a separate deferral account, the disposition of which will be dealt with in a future Commission Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of April, 1992.

BY ORDER


John G. McIntyre
Chairman

/lm
BCUC/Orders/BCG-ValleyGasSales-May'92