

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

and

IN THE MATTER OF an Application by
BC Gas Inc.

BEFORE: J.G. McIntyre,)
Chairman; and)
K.L. Hall) February 28, 1992
Commissioner)

O R D E R

WHEREAS:


- A. On February 28, 1992 BC Gas Inc. ("BC Gas") filed with the Commission for approval, an Interruptible Gas Sales Agreement dated February 28, 1992 ("the Agreement") with Inland Natural Gas Marketing Ltd. ("INGM") for off-system gas sales; and
- B. The Agreement would allow INGM to purchase some of BC Gas' excess capacity or "valley gas" during the period March 1, 1992 to October 31, 1992 up to 60,000 GJs per day at prices determined during the week preceding each delivery month; and
- C. The Commission encouraged such sales of valley gas in its February 21, 1992 Decision on BC Gas gas cost allocation methodology; and
- D. The Agreement will provide an expected contribution to reduce the costs allocated to core market customers in the approximate amount of \$100,000 for the month of March, 1992 as well as associated load factor benefits to long-term gas purchase contracts; and
- E. The Commission has reviewed the Agreement and finds that approval for an initial one month sale period would be appropriate and in the public interest.

NOW THEREFORE the Commission orders as follows:

- 1. The Commission approves the February 28, 1992 Interruptible Gas Sales Agreement between BC Gas and INGM for amounts up to 60,000 GJs per day for the period March 1, 1992 to March 31, 1992 only.
- 2. A deferral account is to be established to account for the Core Market contributions from this and any future sales of valley gas. Disposition of this account will be the subject of a future Order of the Commission.
- 3. In future applications for approval of valley gas sales, BC Gas is to provide the Commission with evidence that a broader range of potential purchasers has been canvassed and that prices are market-based. This includes any further sales under this agreement beyond March 31, 1992.

DATED at the City of Vancouver, in the Province of British Columbia this 3rd day of March, 1992.

BY ORDER


John G. McIntyre
Chairman

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BCUC/Orders/BCG Off System Sales - INGM