

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

and

IN THE MATTER OF Commission Decision and Order No. G-22-92 and Applications by BC Gas Inc.

BEFORE: M.K. Jaccard,)
Chair; and) September 29, 1992
L.R. Barr,)
Deputy Chair)

O R D E R

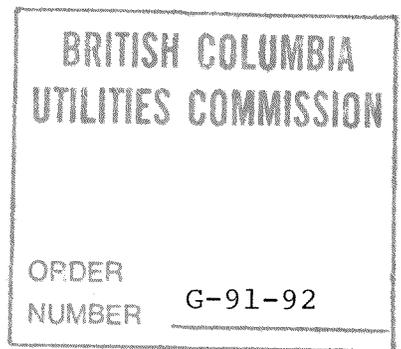
WHEREAS:

- A. On July 15, 1992 BC Gas filed an Application with the Commission for approval pursuant to Commission Decision and Order No. G-22-92 dated February 21, 1992. This Application addresses issues raised during the course of the public hearing and provides amendments to the BC Gas Tariff; and
B. BC Gas also filed an Application on July 15, 1992 for disposition of Rate Schedule 23, Transportation Service Margin deferral accounts pursuant to Commission Order No. E-5-92; and
C. Additionally, on July 23, 1992, BC Gas filed an Application to defer certain additional cost increases from Westcoast Energy Inc. ("WEI") Liquids Recovery Services Tolls and Producer Costs for WEI Fuel Costs from November 1, 1991; and
D. The Commission requested and received responses from intervenors concerning certain aspects of the above-noted Phase A - Gas Cost Methodology Application, reviewed those submissions and now finds that a decision on a number of the issues contained in the filings by BC Gas is necessary and in the public interest.

NOW THEREFORE the Commission orders BC Gas as follows:

- 1. Pricing for Rate Schedule 10, Large Volume Sales is approved as filed, effective November 1, 1992.
2. The rates for Rate Schedules 2501 and 2502 are approved as filed for the gas contract year effective November 1, 1992. BC Gas will also continue to use the deferral account to capture all differences in gas cost recovery.
3. BC Gas is to include further material on both pricing and priority of service to B.C. Hydro's Burrard Thermal Plant in the Phase B hearing application. In the meantime, a deferral account should be maintained to account for the difference between current and proposed pricing.
4. The following balancing arrangements for Rate Schedule 22 - Large Industrial Transportation Service are approved for the gas contract year commencing November 1, 1992:
(a) Daily gas balancing in the winter period from November 1 to March 31 is approved. Monthly gas balancing for the summer period from April 1 to October 31 is approved.
(b) A shipper will not be obliged to purchase a daily deficiency amount that results from an adjustment to nominations by BC Gas.

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- (c) An imbalance will be returned within 30 days if the shipper's average over-nomination is less than 5 percent; 60 days if less than 10 percent; and in any case within 90 days.
 - (d) BC Gas is to file with the Commission, in time for the start of the November 1, 1992 contract year, a balancing service proposal and rate that would enable Rate Schedule 13 customers to fully utilize firm transportation service without purchasing gas for balancing purposes.
 - (e) Gas balancing, as an issue, will be thoroughly canvassed at the BC Gas Phase B Rate Design public hearing. Prior to the public hearing BC Gas is to file a report with the Commission evaluating alternative and available options for recovering the costs associated with daily/monthly gas balancing.
 - (f) Following the 1992/93 winter period, BC Gas is to file a report with the Commission dealing with the practical operation of gas balancing, address the concerns of industrial sales customers and provide proposals to deal with concerns about the accuracy of nominations.
- 5. The Application to offset certain deferred accounts as a result of the BC Gas Phase A Decision with weather induced fixed gas supply costs prior to July 15, 1992 is denied as the Commission finds no basis to approve the request on a retroactive basis. The Commission directs BC Gas to file a full weather stabilization application in its Phase B Rate Design Application for an effective date commencing July 15, 1992, or a later date to be proposed by BC Gas.
 - 6. The Application to take into income the accumulated deferral account credit for Rate Schedule 23 is denied. BC Gas will continue to account for the margin relating to off-system gas sales in a deferral account as provided for in Order No. E-5-92 the disposition of which will be by referral to the public hearing into Phase B Rate Design.
 - 7. The Application to establish deferral accounts for WEI liquids recovery and fuel gas costs for the contract year commencing November 1, 1991 is approved as filed.
 - 8. BC Gas is to inform all affected customers of the tariff changes and provide each large industrial customer served under each Schedule with an approved copy of the appropriate Rate Schedule.
 - 9. The Commission will accept, subject to timely filing by BC Gas, amendments to Gas Tariff Rate Schedules which incorporates amendments approved by this Order effective November 1, 1992.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of October, 1992.

BY ORDER



Dr. M.K. Jaccard
Chair

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