



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-53-92

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;)
J.D.V. Newlands,) June 16, 1992
Deputy Chairman; and)
N. Martin,)
Commissioner)

O R D E R

WHEREAS:

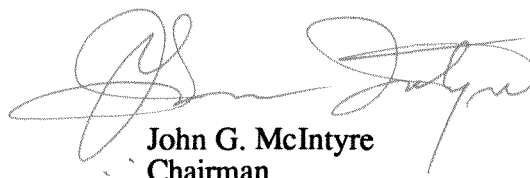
- A. On June 9, 1992 BC Gas Inc. - Lower Mainland Division ("BC Gas") applied to the Commission for approval to defer 50 percent of the natural gas rates charged to Norvik Hardwoods Inc. ("Norvik") for a period of three years from the date of closing of the transaction; and
- B. On May 6, 1992 the Job Protection Commission ("JPC") presented BC Gas with an Economic Plan to ensure the economic viability of Norvik that included a deferral of natural gas rates charged by BC Gas for a period of three years that would amount to approximately \$516,250, plus interest, to be repaid in years 4 and 5; and
- C. The Commission has reviewed the Application and finds that the participation by BC Gas in the Economic Plan for Norvik as developed by the JPC is in the public interest.

NOW THEREFORE the Commission orders BC Gas as follows:

1. The Commission approves the Application by BC Gas to defer 50 percent of the gas rates normally charged to Norvik for a three year period commencing from the closing of the JPC Economic Plan, and place such amounts in a deferral account, the disposition of which will be by future Commission Order.
2. The request by BC Gas to apply a financing charge on the deferral account, equivalent to the AFUDC rate, is denied.
3. The interest rate charged on the balances of the deferral account is to be at the average prime rate of borrowing for BC Gas.
4. In the event that Norvik defaults in repayment of all or any portion of the amounts included in the deferral account, BC Gas will be permitted to recover such amounts in rates charged to its other customers.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of June, 1992.

BY ORDER


John G. McIntyre
Chairman

/mmc

BCUC/Orders/BCG-NorvikRateDeferral