

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

and

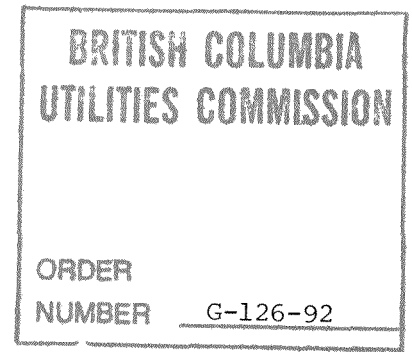
IN THE MATTER OF an Application by
BC Gas Inc.

BEFORE: M.K. Jaccard,)
Chair)
L.R. Barr,) December 17, 1992
Deputy Chair; and)
H.J. Page,)
Commissioner)

O R D E R

WHEREAS:

- A. On November 20, 1992 BC Gas Inc. - Inland Division ("BC Gas") applied to the Commission for approval of negotiated bypass rates for service to Finlay Forest Industries Ltd. ("FFI") known as Tariff Supplement No. 5 and Fletcher Challenge Canada Ltd. ("Fletcher Challenge") known as Tariff Supplement No. 7 for the companies' forest products complexes at Mackenzie, B.C.; and
- B. FFI and Fletcher Challenge desired transportation service from BC Gas at rates reasonably equivalent to the costs that would have been incurred had the companies constructed a bypass pipeline in 1992; and
- C. BC Gas requested that the lost margin from gas supplied to Fletcher Challenge and FFI under Tariff Supplements No. 5 and 7 be flowed through to Inland Division residential and commercial customers rates effective January 1, 1993; and
- D. The Commission, in its October 1987 Report and Recommendations to the Lieutenant Governor in Council, concluded after a public hearing that BC Gas (formerly Inland Natural Gas Co. Ltd.) should offer the complainants a reasonably competitive rate of bypass as an alternative to building their own natural gas transmission pipeline; and
- E. The Commission has reviewed the BC Gas application and finds that approval of both the negotiated bypass rates flow-through of lost margin to residential and commercial customers is necessary and in the public interest.




NOW THEREFORE the Commission orders BC Gas as follows:

1. The bypass rates to Fletcher Challenge and FFI are approved and accepted for filing effective November 1, 1992 as follows:
 - Tariff Supplement No. 5 - Service Agreement for Rate Schedule 22 between BC Gas and Finlay Forest Industries Ltd.
Original Sheet No. 5 and Original Sheets No. 5-1 to 5-19 inclusive.
 - Tariff Supplement No. 7 - Service Agreement for Rate Schedule 22 between BC Gas and Fletcher Challenge Canada Ltd.
Original Sheet No. 7 and Original Sheets No. 7-1 to 7-19 inclusive.
2. The lost margin to BC Gas from service provided to FFI and Fletcher Challenge under negotiated bypass rates, and Tariff Supplement Nos. 5 and 7 respectively, is to be flowed-through to residential and commercial service customers of the Inland Division effective January 1, 1993 based on the permanent and interim rates approved by the Commission and the methodology proposed in the Application. The Commission will accept, subject to timely filing and in accordance with terms of this Order, amended Gas Tariff rate schedules for BC Gas.
3. BC Gas is to advise all affected customers of the rate changes by way of a bill stuffer in the next regular utility billing.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of January, 1993.

BY ORDER


Dr. Mark K. Jaccard
Chair

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