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CANADA



BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER E-27-93

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

and

An Application by Centra Gas British Columbia Inc.

**BEFORE:** M.K. Jaccard, Chairperson; and )  
K.L. Hall, Commissioner ) November 25, 1993

**ORDER**

**WHEREAS:**

- A. Commission Order No. E-2-93 approved for Centra Gas British Columbia Inc. ("Centra Gas") pricing amendments to three of its long-term gas supply contracts commencing November 1, 1992, pursuant to the Rules Respecting Energy Supply Contracts ("the Rules") and Section 85.3 of the Utilities Commission Act ("the Act"); and
- B. On November 18, 1993 Centra Gas applied to the Commission for approval of its 1993/94 Gas Supply Portfolio covering Vancouver Island and the Sunshine Coast including a Gas Purchase Letter Agreement with Husky Oil Operations Ltd. ("Husky Oil") and a Letter Agreement amending the contract with Husky Oil, a Letter Agreement with Petro-Canada Inc., and a Letter Agreement with Talisman Energy Inc.; and
- C. Centra Gas' 1993/94 Gas Supply Portfolio provides for an increase in peak-day requirements as a result of increasing residential and other requirements for Vancouver Island and the Sunshine Coast service areas; and
- D. The Commission has reviewed the contract filings and has determined that approval of pricing amendments and letter agreements with respect to Centra Gas' 1993/94 gas supply portfolio are necessary and in the public interest.

**NOW THEREFORE** the Commission, pursuant to the Rules and Section 85.3 of the Act, approves for Centra Gas the following:

1. A Letter Agreement with Petro Canada Inc. dated October 6, 1993 which amends and restates the Gas Purchase Agreement dated April 30, 1991.

2. A Letter Agreement with Talisman Energy Inc. dated October 15, 1993 which amends and combines the Gas Purchase Agreements dated April 30, 1991.
3. A Gas Purchase Letter Agreement with Husky Oil dated August 30, 1993 and an amending letter agreement dated November 3, 1993.
4. The Commission observes that a lack of Westcoast Energy Inc. Zone 4 capacity disadvantaged Centra Gas in its negotiations with Husky Oil, resulting in an apparent price premium under this contract. The Commission notes that its March 11, 1993 Decision on Domestic Natural Gas Supply requires Centra Gas to file by December 31, 1993 an Action Plan to provide Westcoast Zone 4 capacity for all core-market consumers.
5. The Commission requires that the executed agreements and amendments to Centra Gas' energy supply and baseload contracts be filed with the Commission in a timely manner.
6. The Commission advises Centra Gas that approvals of gas supply contracts and amendments for the 1994/95 gas contract year will require demonstration, in context of Centra Gas' Integrated Resource Plan, that the contracts are in the public interest.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 6<sup>th</sup> day of December, 1993.

BY ORDER



Dr. Mark K. Jaccard  
Chairperson