



SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3
CANADA

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-83-93

TELEPHONE: (604) 660-4700
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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 BC Gas Inc.
(Effective July 1, 1993 known as BC Gas Utility Ltd.)

BEFORE: M.K. Jaccard, Chairperson)
F.C. Leighton, Commissioner; and) September 21, 1993
E.C. Sleath, Commissioner)

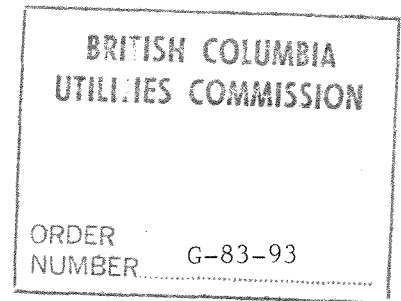
O R D E R

WHEREAS:

- A. On April 15, 1993 BC Gas Inc. (effective July 1, 1993 known as BC Gas Utility Ltd. or "BCGUL") filed its 1993 Rate Design - Phase B Application which requested, inter alia, orders approving new or modified seasonal, general service and transportation, large volume service and transportation, and industrial interruptible sales schedules (collectively referred to herein as "industrial tariffs") as consolidated tariffs for the Lower Mainland, Inland and Columbia Divisions; and
- B. The BCGUL 1993 Rate Design - Phase B Hearing was heard between June 28 and August 12, 1993 under Commission Order No. G-38-93 to examine issues related to Rate Design, including industrial tariffs; and
- C. During the course of the Hearing and as a result of discussions with industrial customers outside of the formal hearing process, BCGUL undertook a number of amendments to the industrial tariffs in the original application, with the final filing being dated July 20, 1993; and
- D. BCGUL, in Argument, requested a Commission decision on industrial tariffs by September 15, 1993 so that customers can decide under which tariff they wish to move gas commencing November 1, 1993; and
- E. By Order No. G-68-93 the Commission approved the consolidation of the Lower Mainland, Inland and Columbia Divisions for regulatory purposes effective January 1, 1993; and
- F. The Commission has considered the Application, Evidence, Cross-examination and Argument and is satisfied that the industrial tariffs, subject to the changes and comments set out in Attachment "A" appended hereto, are necessary and in the public interest.

NOW THEREFORE the Commission hereby orders BCGUL as follows:

1. The following gas tariffs, as applied for by BCGUL, are approved and accepted for filing as rate schedules effective November 1, 1993, subject to the changes and comments as set out in Attachment "A", appended hereto:
 - Industrial Sales Rate Schedules 10, 13 and 14.
 - Industrial and General Burner-Tip Service Rate Schedules 4, 5, 7 and 8.
 - Industrial and General Transportation Rate Schedules 25, 22, 22A, 22B and 27



2. BCGUL is directed to file, in a timely fashion, the above-named tariffs incorporating the changes and comments of the Commission as set out in Attachment "A" appended to this Order.
3. The Commission approves the termination of various tariffs made redundant by the above-named tariffs in accordance with the Application.
4. BCGUL is directed to withdraw its proposed Rate Schedule 32.
5. The Commission approves for BCGUL a deferral account to record any revenue differences resulting from these industrial tariff changes compared to the existing rates for the period November 1 to December 31, 1993. The account will attract interest at the Utility's current rate for short-term debt and the Commission will determine the disposition of the account by way of a future Commission Order.
6. The Commission will incorporate its written Reasons for Decision regarding Industrial Tariffs as part of the full 1993 Rate Design-Phase B Decision.

DATED at the City of Vancouver, in the Province of British Columbia, this 21st day of September 1993.

BY ORDER

A handwritten signature in cursive script, appearing to read "Mark Jaccard".

Dr. Mark K. Jaccard
Chairperson

Attachment



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Attachment "A"
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**BC GAS UTILITY LTD.
INDUSTRIAL AND GENERAL SERVICE TARIFFS**

1993 Rate Design - Phase B Application

A. GENERAL

BC Gas Utility Ltd. ("BCGUL") made a number of amendments to the industrial tariffs that were filed with the original application. Where the Commission refers to various Schedules in this Order and Attachment, the references are to these most recent filings.

B. INDUSTRIAL SALES SCHEDULES

**B.1 Schedule 10
Large Volume Interruptible Sales**

The Commission directs BCGUL to propose and justify an optional indexed pricing methodology for Priority 2 service which is based on an appropriate index and would be selected by a customer on an annual basis as an alternative to fixed price. In all other respects, the Commission approves Schedule 10 for filing.

**B.2 Schedule 13
Interruptible Peaking Sales**

The Commission approves Schedule 13 for filing, and accepts that the rate, which is calculated as the residential burner-tip rate minus the large industrial transportation margin, will be subject to adjustments depending on the residential cost of gas.

**B.3 Schedule 14
Interruptible Backstopping Sales**

The Commission approves Schedule 14 for filing.

**C. INDUSTRIAL & GENERAL SERVICE
BURNER TIP SERVICE SCHEDULES 4, 5, 7 and 8**

The Commission approves BCGUL's proposed Schedules 4, 5, 7 and 8 for filing, subject to the adjustment of Schedule 5, 7 and 8 delivery charges and subject to the lowering of the Schedule 8 access threshold. These adjustments are described in paragraphs D.1.3 and D.2.3 following, respectively. The Commission accepts that rates under Schedule 4 will be subject to adjustments depending on the residential cost of gas.

**D. INDUSTRIAL & GENERAL SERVICE
TRANSPORTATION SCHEDULES 25, 27, 22 and 32**

The Commission approves BCGUL's proposed Schedules 25, 27, 22, 22A and 22B for filing, subject to the changes identified in this Attachment.

The Commission directs that the minor wording refinements made in the updated filing of Schedule 22 also be incorporated into Schedules 25 and 27 where appropriate.

D.1 Transportation Rates

D.1.1 Monthly Charges

The Commission approves the basic charges proposed for Schedules 25, 27 and 22.

D.1.2 Level 1 versus Level 2 Service

The Commission directs that Schedules 27 and 22 be revised on the basis of a single level of service which is subject to curtailment only for capacity reasons. If the BCGUL concern about Schedule 22A customers possibly changing nominations from firm to interruptible becomes a problem in future, BCGUL can submit appropriate revisions for Commission consideration.

D.1.3 Delivery Charges

The Commission approves the seasonal delivery charge concept for Schedules 25, 27 and 22.

The Commission directs that Schedule 5/25, 7/8/27, 22 and 22A delivery charges be revised as set out in Table 1 below.

Table 1

**Delivery Charge Revisions
Schedules 5/25, 7/8/27, 22, 22A**

SCHEDULE		BCUC REVISED
5/25	Winter	1.35
5/25	Summer	.70
5/25	Average	1.025
		<u>CAP.CURT.only</u>
7/8/27	Winter	.95
7/8/27	Summer	.70
7/8/27	Average	.825
22	Winter	.80
	Summer	.55
	Average	.675
22A	(Interruptible)	.55

D.1.4 UOR Charges/Demand Surcharges

The Commission approves both the Schedule 22 UOR charges and the demand surcharge provisions with one minor exception. The Commission believes that rounding of the \$19.93/GJ and other charges for UOR over 5 percent to the nearest dollar would now be appropriate. In addition, the Commission directs BCGUL to make the UOR charges in the other Industrial Rate Schedules consistent with those in Schedule 22.

Since the charges for the first 5 percent band are based on Rate Schedule 1 residential gas costs, the Commission accepts that these UOR charges may be subject to future adjustments.

D.2 Large Volume Tariffs: Schedules 22 and 32

D.2.1 Balancing

The Commission approves the requirement for daily balancing under Schedule 22 on the basis that the gas balancing service provisions under Schedule 32 are rolled into Schedule 22. These provisions would replace Section 8 beginning on sheet p. 22.13 of Schedule 22.

The Commission approves the commodity charges proposed by BCGUL for balancing service (p. 32-6 of Schedule 32) for incorporation into Schedule 22. Additional administration charges of \$175/month for gas balancing (as proposed for Schedule 32) shall not be levied with the incorporation of these services into Schedule 22.

The Commission directs that Schedule 32 be withdrawn.

D.2.2 Large Volume Firm Rates: Schedules 22, 22A, 22B

The Commission approves the closing of Schedules 22A and 22B subject to continuation of the negotiations proposed for Schedule 22B over the period ending December 31, 1993. The Commission also approves the concept of negotiated rates for future firm customers under Schedule 22 as proposed by BCGUL with the comment that such rates could be structured in a number of ways. The Commission believes that any such rate must consider long-run incremental costs, but otherwise, BCGUL is encouraged to be flexible as to the tariff structure so long as the time value of money is considered.

D.2.3 Large Volume Customer Definition

The Commission directs that the large volume threshold definition for Schedules 22 and 8 be established at an annual average of 12,000 GJ/month.