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CANADA

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER E-9-94

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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 Utility Ltd.

BEFORE: K.L. Hall, Commissioner; and)
F.C. Leighton, Commissioner) June 22, 1994

ORDER

WHEREAS:

- A. On March 30, 1994 BC Gas Utility Ltd. ("BC Gas") applied to the Commission for approval of four Gas Storage Agreements between BC Gas and Universal Resources Corporation ("Universal") dated October 1, 1993, CU Gas Limited ("CUG") dated April 1, 1994 and two separate agreements with Questar Pipeline Company ("Questar") both dated June 17, 1993; and
- B. The Agreement with Universal for storage at Clay Basin, Utah will provide BC Gas with 17,000 MMBtu/day of deliverability for 1994/95; and
- C. The Agreement with CUG for storage at Carbon, Alberta will provide BC Gas with 708.2 10^3m^3 /day of supply commencing 1994/95; and
- D. One Agreement with Questar will provide firm storage service at Clay Basin, Utah for the supply of 20,000 MMBtu/day commencing 1995/96, and a Letter of Intent with Grand Valley Gas Company deals with delivery and redelivery of the gas. The second Agreement with Questar, as amended, will provide for the supply of 14,583 MMBtu/day commencing 1995/96, and a Letter of Intent with Universal dated February 21, 1994 deals with delivery and redelivery of gas; and
- E. BC Gas' IRP and 1994/95 Gas Contracting Plan indicate that the use of storage reduces total gas costs compared to the contracting of an equivalent amount of new baseload supply; and
- F. The Commission has reviewed the Agreements and is satisfied that approval is necessary and in the public interest.

NOW THEREFORE pursuant to the Rules and Section 85.3 of the Utilities Commission Act, the Commission approves the following:

- 1. The Firm Service Gas Storage Agreement with CUG dated April 1, 1994 for the supply of 708.2 10^3m^3 /d.
- 2. The Storage Gas Buy/Sell Agreement with Universal dated October 1, 1993 for the supply of 17,000 MMBtu/day.

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3. The Firm Storage Service Agreement with Questar dated June 17, 1993 for the supply of 20,000 MMBtu/day and a Letter of Intent with Grand Valley Gas Company dated February 28, 1994 for the delivery and redelivery of the gas.
4. The Firm Storage Service Agreement with Questar dated July 17, 1993, as amended by an Amendment dated August 31, 1993, for the supply of 14,583 MMBtu/day and a Letter of Intent with Universal dated February 21, 1994 for the delivery and redelivery of the gas.
5. Approval of the Agreements is subject to the timely filing of fully executed documentation evidencing the understandings set out in the Letters of Intent.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of June, 1994.

BY ORDER



Frank C. Leighton
Commissioner