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CANADA



BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER G-35-93

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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 BC Gas Inc.

BEFORE: L.R. Barr, Deputy Chairperson; and ) May 18, 1993  
F.C. Leighton, Commissioner )

WHEREAS:

- A. On April 14, 1993 BC Gas Inc. ("BC Gas") applied to the Commission, pursuant to Section 67 of the Utilities Commission Act ("the Act"), for approval of reference price and price factors to be effective November 1, 1993, the reference price and price factors to be effective May 1, 1993, and deferral account treatment for direct purchase implementation costs; and
- B. The Application is made pursuant to the Commission's March 11, 1993 Decision on the Domestic Natural Gas Supply Rules which requires that buy-sell direct sales of natural gas to core market customers be made available from May 1, 1993; and
- C. The Commission has reviewed the BC Gas Application and finds that a modified approval is required.

NOW THEREFORE the Commission orders as follows:

1. The pricing methodology and price factor calculations, as set out in the BC Gas April 14, 1993 Application, for the Gas Contract Year effective November 1, 1993, are approved subject to BC Gas filing by November 1, 1993 for Commission approval price factors calculated using updated information about gas prices, Westcoast Energy Inc. tolls and contract load factors.
2. BC Gas is to file by June 4, 1993 the following documents for approval in accordance with the Commission's March 11, 1993 Decision on Domestic Natural Gas Supply Rules:
  - Gas Supply Contract
  - Agency Agreement
  - Standard Information Booklet
  - Code of Conduct
  - Amendments to Gas Sales Tariffs
3. BC Gas is to refile by June 4, 1993, its April 14, 1993 Application showing the pre-November 1, 1993 Unit Fixed Charge that will be calculated using a methodology identical to that effective November 1, 1993 rather than basing the Unit Fixed Charge on the avoided cost of gas.
4. BC Gas is to file by June 4, 1993, a proposal to minimize the increase in gas costs during the pre-November 1, 1993 period, which includes setting of the daily contract quantity on the basis of a 100 percent load factor for the partial year and optimal use of available transportation.
5. BC Gas is to state its position, relative to its obligations under the Burrard Thermal Agreement with B.C. Hydro, of using the additional supply of gas provided under core market direct purchase gas supply contracts for injection into Aitken Creek or to enable release of supplies under other gas purchase contracts.

6. Pursuant to Section 67 of the Act, BC Gas is to set up a deferral account to record incremental gas costs resulting from buy/sell purchase contracts, less credits made possible by the contracts, during the May 1 to October 31, 1993 period, with the amount accumulated in the account to be charged to the gas costs of all core market customers.
7. Pursuant to Section 67 of the Act, BC Gas is to set up a deferral account effective April 14, 1993, to record the incremental administrative costs resulting from direct purchasing by the core market using buy-sell gas supply contracts and the administration fees under buy/sell contracts, with the disposition of the net amount recorded to be considered at a future time.

DATED at the City of Vancouver, in the Province of British Columbia, this 26<sup>th</sup> day of May, 1993.

BY ORDER



Lorna R. Barr  
Deputy Chairperson