



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-59-94

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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.
Phase 2 - Revenue Stabilization Adjustment Mechanism and Sales Forecasts

BEFORE: M.K. Jaccard, Chairperson; and)
F.C. Leighton, Commissioner) August 4, 1994

O R D E R

WHEREAS:

- A. On November 22, 1993 BC Gas Utility Ltd. ("BC Gas") filed with the Commission an application based on a two-year test period to increase, on an interim and permanent basis, captive rates of customers in the Lower Mainland, Inland and Columbia Divisions effective January 1, 1994 and a further increase effective January 1, 1995 ("the Application") pursuant to Sections 64, 67 and 106 of the Utilities Commission Act; and
- B. The Commission, by Order No. G-120-93, approved for BC Gas an interim rate increase of 6.26 percent on gross margin revenue of the captive rate schedules effective with consumption on and after January 1, 1994; and
- C. The Commission, by Order No. G-10-94, set the date of April 25, 1994 for the commencement of a public hearing into the Application and published dates for workshops, conferences and meetings in order to expedite the public review of the Application and attain a complete or partial negotiated settlement of the issues in the Application; and
- D. The Commission, by Order No. G-26-94, rescheduled the commencement of the public hearing into the Application to May 2, 1994 and, by Order No. G-29-94, rescheduled the Integrated Resource Plan ("IRP") segment to June 6, 1994; and
- E. A Negotiated Settlement process was used prior to the commencement of the public hearing into the Application; and
- F. At the commencement of the hearing into the IRP segment, the Commission separated that hearing into two phases; and
- G. Subsequently, during the hearing, the issues were further separated, such that IRP and Demand-Side Management would be heard separately from the proposal for a Revenue Stabilization Adjustment Mechanism ("RSAM") and the sales forecasts contained in the Application.
- H. The Commission has determined that separate decisions into the BC Gas Application will be issued as follows:
 - Phase 1 Decision - 1994/95 Revenue Requirements issues dealt with in the May 2, 1994 hearing;
 - Phase 2 Decision - Revenue Stabilization Adjustment Mechanism and Sales Forecasts;
 - Phase 3 Decision - IRP and Demand-Side Management; and

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- I. The Commission has considered the Application and the evidence adduced thereto all as set forth in the Phase 2 Decision issued concurrently with this Order.

NOW THEREFORE the Commission, for reasons stated in the Phase 2 Decision, orders BC Gas as follows:

1. RSAM deferral accounts will be established, and the RSAM will be implemented with no deadband, as set out in the Phase 2 Decision.
2. BC Gas will comply with all directions contained in the Phase 2 Decision accompanying this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this *4th* day of August 1994.

BY ORDER



Dr. Mark K. Jaccard
Chairperson