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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER E-23-95

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

and

An Application by BC Gas Utility Ltd.
for Approval of Gas Supply Contracts and Amendments for the
1995/96 Gas Contract Year covering Seasonal, Peaking and Backstopping Arrangements

BEFORE: M.K. Jaccard, Chairperson; and)
K.L. Hall, Commissioner) October 12, 1995

O R D E R

WHEREAS:

- A. On May 26, 1994 BC Gas Utility Ltd. ("BC Gas") filed its 1994/95 Gas Contracting Plan, which was subsequently approved by the Commission by letter dated June 10, 1994, as being a generally acceptable gas acquisition strategy, subject to the filing of individual contracts for approval; and
- B. On September 29, 1995 BC Gas applied to the Commission for approval of new Seasonal and Peaking Gas Supply contracts as well as amendments for the 1995/96 gas contract year to other contracts which had previously been approved; and
- C. On October 5, 1995 BC Gas filed several contract documents that relate to assignments and amendments which have taken place in the past; and
- D. The Commission has reviewed the BC Gas filing and is satisfied that approval of the following contracts and amendments is necessary and in the public interest.


NOW THEREFORE pursuant to Section 85.3 of the Utilities Commission Act and the Rules the Commission orders as follows:

1. The Commission approves the following new Seasonal, Peaking and Backstopping contracts for the 1995/96 gas contract year, as set out in the September 29, 1995 BC Gas Application:
 - Mobil Oil Canada Seasonal Contract for 10,000 GJ/d.
 - Associated Gas Services, Inc. ("AGSI") Peaking Contract for 20,000 MMBtu/d (21,101 GJ/d).
 - AGSI Seasonal Contract for 20,000 MMBtu/d (21,101 GJ/d).
 - AGSI Seasonal Contract for 15,000 MMBtu/d (15,825 GJ/d).

- Universal Resources Corp. ("Universal") Peaking Contract for 15,000 MMBtu/d (15,825 GJ/d).
 - Universal Seasonal Contract for 10,000 MMBtu/d (10,551 GJ/d).
 - Unocal Canada Seasonal Contract for 5,000 GJ/d.
 - Westcoast Gas Services America Inc. Backstopping Contract for 10,000 MMBtu/d (10,551 GJ/d).
2. The Commission approves the following amendments in the September 29, 1995 BC Gas Application, which include prices for the 1995/1996 gas contract year, to the following Seasonal and Backstopping contracts:
- Enron Capital & Trade Resources Canada ("Enron") Seasonal Contract for 30,000 GJ/d.
 - Union Pacific Fuels, Inc./Enron Backstopping Arrangement for 15,000 MMBtu/d (15,825 GJ/d).
 - Mobil Natural Gas/AGSI Back-to-Back Agreement for 10,000 MMBtu/d (10,551 GJ/d).
 - Assignment from Unocal Canada to Summit Resources Limited of Baseload Contract for 280 $10^3\text{m}^3/\text{d}$ (10,836 GJ/d).
 - Restatement of Canadian Hunter Marketing Ltd. Baseload Contract for 570 $10^3\text{m}^3/\text{d}$ (22,059 GJ/d).
 - Extension for the 1994/95 contract year of the Seasonal Exchange Contract with Shell Canada Limited for 10,000 GJ/d.
3. BC Gas is directed, in its next gas cost flow-through application, to discuss the definition of demand and commodity charges for contracts with 100 percent purchase obligations and to justify any demand charges in such contracts that significantly exceed upstream pipeline charges.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of October, 1995.

BY ORDER


Dr. Mark K. Jaccard
Chairperson