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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER.....E-4-95

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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.
regarding Buy/sell Energy Supply Contracts

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) January 31, 1995

O R D E R

WHEREAS:

- A. On January 27, 1995 pursuant to Section 85.3, BC Gas Utility ("BC Gas") filed three buy/sell gas purchase contracts to be effective February 1, 1995 for Commission review; and
- B. In the covering letter to the filing, BC Gas provided reasons why it did not recommend that the Commission approve these or other buy/sell contracts commencing after November 1, of the gas year, but that if such contracts were approved, the reference price approved by Order G-91-94 should not apply; and
- C. The Commission has reviewed the contracts and the concerns expressed by BC Gas and has determined that conditional approval of the contracts 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 the following:

1. Subject to the timely filing of fully executed contracts by BC Gas and gas performance delivery bonds by the three suppliers, the following buy/sell Gas Purchase Contracts dated February 1, 1995, as set out in the January 27, 1995 BC Gas filing, are approved:
 - Coastal Gas Marketing Canada for 4911 GJ/d.
 - Enershare Technology Corporation for 2747 GJ/d.
 - Novagas Clearinghouse Core Ltd. for 33,456 GJ/d.
2. BC Gas is to file for Commission approval a reference price and price factors for the period February 1 through October 31, 1995 based on the methodology approved by Order G-91-94 but using current forecast prices and other information for the nine month period.
3. BC Gas is to accept an additional buy/sell supply of up to approximately 15,000 GJ/d effective March 1, 1995 on the condition that this volume pertains only to Inland division customers identified to BC Gas prior to February 1, 1995.
4. Notwithstanding the conditions of this approval, any further buy/sell volumes purchased prior to November 1, 1995 are to receive the current market price as indicated by the "Inside FERC at Sumas" index, adjusted for delivery point.

5. Prior to November 1, 1995, the Commission intends to review whether future buy/sell contracts starting at a date other than November 1 of any year should be approved and if so, to determine the appropriate price for gas delivered under such contracts. A process for this review will be established by a future Order of the Commission.

DATED at the City of Vancouver, in the Province of British Columbia, this *1st* day of February, 1995.

BY ORDER



Dr. Mark K. Jaccard
Chairperson