



SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. V6Z 2N3  
CANADA

BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER G-2-95

TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
FACSIMILE: (604) 660-1102

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.  
for Approval of Rate Changes in Fort Nelson Division

**BEFORE:** M.K. Jaccard, Chairperson; and )  
K.L. Hall, Commissioner ) January 5, 1995

**O R D E R**

**WHEREAS:**

- A. On December 13, 1994 BC Gas Utility Ltd. ("BC Gas"), pursuant to Section 67(4) of the Utilities Commission Act ("the Act"), applied to the Commission for approval to pass-through cost of gas and other changes to its Gas Tariff Rate Schedules for its Fort Nelson Division effective January 1, 1995; and
- B. The application reflects an increase in the 1993/94 gas purchases that was not previously flowed-through in customer rates but accumulated in the Fort Nelson Gas Cost Reconciliation Account ("GCRA"). For the 1994/95 gas contract year, gas price changes, that were approved by Order No. E-22-94, are required to be flowed-through to customer rates; and
- C. The Application requests Commission approval to switch the method of accounting for income taxes from the "deferred" to the "tax payable" or "flow-through" method. BC Gas also applied to offset certain deferral account credits with the after-tax GCRA debit balance and to reduce its overall revenue requirement in 1995 by \$165,000; and
- D. The Commission has reviewed the Application and is satisfied that approval is necessary and in the public interest.

**NOW THEREFORE** the Commission orders as follows:

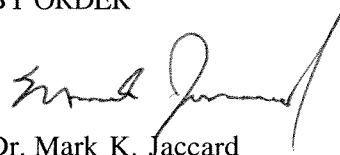
- 1. Pursuant to Section 67(4) of the Act, BC Gas' December 13, 1994 application to pass-through cost of gas changes to Gas Tariff Rate Schedules for customers in the Fort Nelson Division effective January 1, 1995, is approved.
- 2. The Commission approves for the Fort Nelson Division a revenue requirement rate reduction of \$165,000 for 1995. The reduction in rates includes the approval of a change in accounting for income taxes to the flow-through method effective January 1, 1995; the offset of the net after-tax GCRA debit balance with those credits in the deferral accounts relating to Order in Council 953/1989, the 1993 deferred revenue surplus and the deferred income tax balance.
- 3. The matter of future GCRA amortization for the Fort Nelson Division is to be included in the amortization mechanism which is to be proposed by BC Gas before January 31, 1995.

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4. BC Gas, by way of customer notice, is to provide all affected customers with an explanation of the Gas Tariff Rate Schedule changes effective January 1, 1995.
5. The Commission will accept, subject to timely filing, amended Gas Tariff Rate Schedules in accordance with the terms of this Order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 9th day of January, 1995.

BY ORDER



Dr. Mark K. Jaccard  
Chairperson