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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-68-96

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

and

An Application by Pacific Northern Gas Ltd.
for Approval of Deferral Account to Cover Costs of Stress Corrosion Cracking

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) June 26, 1996

O R D E R

WHEREAS:

- A. On June 19, 1996 Pacific Northern Gas Ltd. ("PNG") applied to the Commission for approval to establish a deferral account in which to record expenditures related to Stress Corrosion Cracking ("SCC") investigative report and repair costs on its mainline from Summit Lake to Milepost 230; and
- B. PNG estimates that the \$160,000 in costs associated with the SCC review will be in addition to the \$40,000 approved by the Commission in its 1996 Revenue Requirements Decision and stated that a ten year amortization period commencing in 1997 is appropriate; and
- C. The Commission has reviewed the application and finds that approval of a deferral account for SCC is necessary and in the public interest.

NOW THEREFORE the Commission orders as follows:

- 1. The Commission approves for PNG the establishment of a deferral account and 1996 expenditures of up to \$160,000 related to the investigative report and repair costs on SCC's mainline from Summit Lake to Milepost 230.
- 2. The Commission approves a faster amortization period of five years rather than the ten year period requested.
- 3. PNG is to provide the Commission with a report on the results of the SCC investigations by December 31, 1996.

DATED at the City of Vancouver, in the Province of British Columbia, this 3rd day of July, 1996.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chairperson