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CANADA



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-89-96

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

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

and

an Application by BC Gas Utility Ltd.
and Complaints into Increased Propane Rates at Revelstoke, B.C.

BEFORE: M.K. Jaccard, Chairperson; and)
K.L. Hall, Commissioner) September 5, 1996

O R D E R

WHEREAS:

- A. On July 17, 1996 the Commission, by Order No. E-9-96, approved for BC Gas Utility Ltd. ("BC Gas") an energy supply agreement with Link Petroleum covering the supply of liquid propane to the Revelstoke grid system for the period September 1, 1996 to August 31, 1997; and
- B. On August 20, 1996 BC Gas filed an application with the Commission to pass through an increase in rates of \$1.827/GJ to all grid system customers as a result of higher forecasted liquid propane costs effective September 1, 1996. BC Gas also requested that the reference price for the Revelstoke Propane Cost Deferral Account be increased from \$0.1172/litre to \$0.1616/litre effective September 1, 1996; and
- C. In August, 1996 BC Gas and Link Petroleum representatives met with municipal officials of the City of Revelstoke to explain the price impacts to grid system customers; and
- D. During August and September, 1996 the Commission received telephone and written complaints about the proposed increase in grid system rates; and
- E. The Commission has reviewed all the relevant information and has determined that the issue of propane supply cost recovery requires further review.

NOW THEREFORE the Commission orders as follows:

- 1. The Commission approves for BC Gas a pass through increase in rates of \$1.279/GJ, on an interim basis, to Revelstoke grid system customers effective October 1, 1996, pursuant to Section 67(4) of the Utilities Commission Act ("the Act"). The difference between the actual cost of propane and the amount recovered in rates for the month of September is to be recorded in the propane cost deferral account. The interim reference price in the Revelstoke Propane Cost Deferral Account is to be set at \$0.1483/litre effective October 1, 1996.
- 2. Pursuant to Section 93(2) of the Act, Kenneth L. Hall is appointed to conduct an Inquiry into the BC Gas Revelstoke contracting for propane supply, Commission Order No. E-9-96 and into how propane supply costs are recovered in rates, pursuant to Sections 67(4) and 114 of the Act. The Inquiry will also consider such other matters as Commissioner Hall may determine as relevant. Commission staff will assist Commissioner Hall.

3. BC Gas will arrange for publication and community dissemination of the Notice of Inquiry set out as Appendix A to this Order. The advertisements are to be supplemented by posting the Notice on community bulletin boards and by the use of spot radio ads or community service announcements, where possible, so as to provide for adequate public notification to customers in the Revelstoke area.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of September, 1996.

BY ORDER

Original signed by:

Dr. Mark K. Jaccard
Chairperson

NOTICE OF PUBLIC INQUIRY
Into Propane Supply Costs for the
BC Gas Revelstoke Grid System

ISSUES

The Commission has determined that the public interest requires that the BC Gas Revelstoke propane supply contracting and how propane supply costs are recovered in rates should be reviewed by way of a Public Inquiry.

The purpose of the Inquiry is to ensure that all issues relating to the propane supply costs and its effect on grid system customers are reviewed in a public forum before the British Columbia Utilities Commission, pursuant to Sections 67(4) and 114 of the Utilities Commission Act. Mr. Kenneth L. Hall, Commissioner has been appointed as Inquiry Officer to review this matter and report his recommendations to the Commission.

PUBLIC INQUIRY FORMAT

- The Inquiry will be held in Revelstoke, with both an afternoon and evening session.
- The Inquiry will commence with a BC Gas presentation on all aspects of the propane supply contracting, including the pass through application for propane cost increases to grid system customers.
- Following the introductory phase, the Inquiry will be open to verbal presentations from all interested and affected parties and/or questions which any party may wish to direct to BC Gas.
- The Inquiry Officer will also accept written submissions from parties who may not wish to make a verbal presentation.
- Parties making verbal presentations should be prepared to answer questions from the Inquiry Officer.

DATE, TIME AND LOCATION

Tuesday, September 24, 1996	2:00 p.m. to 5:00 p.m.; and 7:00 p.m. to completion	Revelstoke Community Hall 600 Campbell Avenue, Revelstoke Telephone: (604) 837-9351
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CLARIFICATION

For those persons wishing to make a presentation at the Public Inquiry, a copy of the BC Gas August 20, 1996 application will be sent to those parties pre-registering with the Commission and will also be available at the BC Gas office in Revelstoke, B.C. Persons intending to participant in the Inquiry who are uncertain as to the manner in which to proceed may, (in writing, by telephone or facsimile), contact Mr. Robert J. Pellatt, Commission Secretary or Mr. Philip Nakoneshny, Senior Financial Analyst - Petroleum at:

British Columbia Utilities Commission
Sixth Floor
900 Howe Street
Box 250
Vancouver, B.C.
V6Z 2N3

B.C. Toll Free Telephone: 1-800-663-1385

Facsimile: 604-660-1102

BY ORDER

Original signed by:

Robert J. Pellatt
Commission Secretary