

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



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-94-97

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

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by BC Gas Utility Ltd.
for Approval to Pass Through a Propane Cost Increase to Revelstoke Customers

BEFORE: K.L. Hall, Commissioner)
P.G. Bradley, Commissioner) August 27, 1997

O R D E R

WHEREAS:

- A. On August 19, 1997 BC Gas Utility Ltd. ("BC Gas") filed an application to increase propane rates by \$0.914/GJ to the Revelstoke grid system customers and to increase the reference price from \$0.1438/litre to \$0.1661/litre for use in the Revelstoke Propane Cost Deferral Account, effective September 1, 1997; and
- B. The increase in the cost of propane is a result of the new Revelstoke propane supply contract with Link Petroleum Services Ltd. for the period September 1, 1997 to August 31, 1998, approved by Order No. E-10-97, and the 5-year amortization of the balance in the Propane Cost Deferral Account; and
- C. On August 26, 1997 The City of Revelstoke confirmed that the disposition of the propane deferral account based on a 5-year recovery period was preferred instead of a 3-year recovery period; and
- D. The Application requested approval of a one-time credit transfer of \$104,010 from the Gas Cost Reconciliation Account which is maintained for natural gas customers to partly offset the unrecovered cost of propane in the Revelstoke Propane Cost Deferral Account. Without the credit transfer, the propane rate increase would be \$0.996/GJ and the reference price would be \$0.1681/litre; and
- E. The Commission has reviewed the Application and finds that approval to pass through a propane cost increase to Revelstoke customers is appropriate.

NOW THEREFORE the Commission orders as follows:

1. Consistent with the principle of non-cross subsidies embodied in the Commission's October 10, 1996 Decision and Order No. G-100-96, the Commission denies BC Gas' request to transfer a \$104,010 credit from the Gas Cost Reconciliation Account into the Revelstoke Propane Cost Deferral Account.
2. The Commission, pursuant to Section 61(4) of the Utilities Commission Act, approves for BC Gas an increase in rates of \$0.996/GJ to Revelstoke, B.C. grid system customers to recover an increase in the cost of propane approved by Order No. E-10-97 and a 5-year amortization of the Propane Cost Deferral Account effective September 1, 1997. The reference price in the Revelstoke Propane Cost Deferral Account should be set at \$0.1681/litre effective September 1, 1997.
3. BC Gas is to prepare a notice informing customers of the increase in rates and change in reference price and provide the Commission with a copy in advance of distribution.
4. BC Gas is to file amended Gas Tariff rate schedules in accordance with the Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 27th day of August, 1997.

BY ORDER

Original signed by:

Kenneth L. Hall
Commissioner