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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER C-8-98

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

and

An Application by BC Gas Utility Ltd.
for a Certificate of Public Convenience and Necessity
for its Integrated Business Information System Project

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair)
F.C. Leighton, Commissioner) June 4, 1998
P.G. Bradley, Commissioner)

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

WHEREAS:

- A. Commission Order No. G-85-97 dated July 23, 1997 approved the terms of a negotiated settlement for the BC Gas Utility Ltd. ("BC Gas") 1998-2002 Revenue Requirements application. The settlement terms provided that certain capital projects would require Certificate of Public Convenience and Necessity ("CPCN") applications; and
- B. On October 21, 1997, pursuant to Section 45 of the Utilities Commission Act ("the Act"), BC Gas applied to the Commission for a CPCN for approval of its Integrated Business Information System ("IBIS") Project. The IBIS Project is intended to design and implement new computer hardware and software for the Finance, Materials Management, and Human Resources functions of the utility and is expected to cost approximately \$21.7 million. The new system is designed to replace aging, inflexible technology and to provide reduced transaction processing and more customer-oriented processes; and
- C. On November 6, 1997, the Commission approved for BC Gas by Letter No. L-68-97, a deferral account to record all reasonable and prudent expenditures that related to the IBIS Project; and
- D. On April 28, 1998, BC Gas provided the Commission with progress reports showing that the IBIS Project was within scope, on schedule and on budget with no significant variances. As of June 1, 1998, the IBIS Project had completed its simulation phase and was proceeding to user-testing and validation of results; and

- E. The Commission has reviewed the costs, timing and justification of the IBIS Project and has determined that approval is necessary and in the public interest.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to Section 45 of the Act, a CPCN is granted to BC Gas for its IBIS Project in accordance with its October 21, 1997 application which estimated the total project costs to be \$21.7 million, inclusive of timing and project justification.
2. BC Gas is to provide the Commission with monthly updates of the IBIS Project and a final project cost report in accordance with a format agreed to by Commission staff. The Commission will review the required final report with respect to capital costs, overhead allocation and any cost over-runs in order to determine eligibility for rate base treatment.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of June, 1998.

BY ORDER

Original signed by:

Peter Ostergaard
Chair