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CANADA



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER E-10-98

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

and

A Filing by BC Gas Utility Ltd.
of Natural Gas Storage Agreements with
Unocal Canada Ltd. and Cabot Oil and Gas Marketing Corp.

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair)
K.L. Hall, Commissioner) September 17, 1998
P.G. Bradley, Commissioner)

O R D E R

WHEREAS:

- A. On September 9, 1998, BC Gas Utility Ltd. ("BC Gas") filed with the Commission three natural gas storage agreements and amendments with Unocal Canada Inc. ("Unocal") and one storage agreement with Cabot Oil and Gas Marketing Corp. ("Cabot Oil") for the 1998/99 storage contract year; and
- B. Storage Agreement GS-4130 with Cabot Oil provides for the acquisition of a daily contract quantity of 6,992 GJ/day for its Jackson Prairie storage facility and covers the period June 1, 1998 to May 31, 1999; and
- C. The renewal of Unocal's Storage Agreement GS-1083, which expired March 31, 1998, provides for a contract quantity of 38,034 GJ/day delivered at Station 2 for a one-year term covering the period April 1, 1998 through March 31, 1999; and
- D. Storage Agreement GS-4142 replaces 40 percent of Unocal's Storage Agreement GS-4119, which expired March 31, 1998, and provides for a contract quantity of 46,755 GJ/day at Aitken Creek for a two-year term ending March 31, 2000, with two 2-year options to extend the term to March 31, 2004; and
- E. Storage Agreement GS-4145 replaces 60 percent of Unocal's Storage Agreement GS-4119, which expired March 31, 1998, and provides for a contract quantity of 70,130 GJ/day at Aitken Creek beginning April 1, 1998 and continuing for a term of five years; and

F. The Commission has reviewed the filing and finds that the natural gas storage agreements are in accordance with the Utilities Commission Act ("the Act").

NOW THEREFORE, pursuant to Section 71 of the Act and the Rules, the Commission accepts for filing the following Agreements for BC Gas:

1. Natural Gas Storage Agreement GS-4130 with Cabot Oil, dated May 21, 1998, for the period June 1, 1998 through May 31, 1999.
2. Natural Gas Storage Agreement GS-1083 with Unocal, which replaces the expired Agreement GS-1083, and covers the period April 1, 1998 through March 31, 1999.
3. Natural Gas Storage Agreement GS-4142 with Unocal for a two-year term, with two 2-year options to extend, which replaces 40 percent of Storage Agreement GS-4119.
4. Natural Gas Storage Agreement GS-4145 with Unocal for a five-year term and which replaces 60 percent of Storage Agreement GS-4119.
5. BC Gas is to recommend a course of action for continuation of the contracts if the evergreen clause is activated in the following manner:
 - GS-1083 before March 31, 2003
 - GS-4142 before March 31, 2004
 - GS-4145 before March 31, 2003
 - GS-4130 before May 31, 1999

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of October, 1998.

BY ORDER

Original signed by:

Peter Ostergaard
Chair