



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 of an NGV Incentive Grant  
for the British Columbia Ferry Corporation

**BEFORE:** P. Ostergaard, Chair )  
L.R. Barr, Deputy Chair ) March 11, 1999  
K.L. Hall, Commissioner )

**O R D E R**

**WHEREAS:**

- A. On January 15, 1999, BC Gas Utility Ltd. ("BC Gas") applied for Commission approval of a Natural Gas Vehicle ("NGV") Service incentive grant for the British Columbia Ferry Corporation ("BC Ferries") in the amount of \$300,000. On February 26, 1999, BC Gas provided additional information and responded to a staff information request on the application; and
- B. The NGV grant will enable BC Ferries to offset the additional cost that will be incurred to equip a proposed new Century Class ferry with dual fueled, natural gas/diesel engines. The ferry and proposed compressor equipment will be located at Horseshoe Bay, the use of which is expected to reduce harmful emissions into the local airshed; and
- C. BC Gas has confirmed that the proposed project, on the basis of the regulatory model test, shows a positive net present value; and
- D. The Commission has reviewed the BC Gas application and finds that its approval is in the public interest.

**NOW THEREFORE** the Commission orders as follows:

1. The Commission approves for BC Gas the January 15, 1999 application for a tariff variance to Rate Schedule 6, to provide an NGV incentive grant to BC Ferries in the amount of \$300,000 subject to the following:
  - BC Ferries signs a contract to build the dual fuel Century Class ferry as described in the January 15, 1999 Application.
  - The full grant of \$300,000 is dependent on a consumption level of 120,000 GJ/year.
  - The executed agreement is to be filed in standard Tariff Supplement format.
  - BC Ferries will be served under an interruptible Rate Schedule 6 Tariff Supplement. It will not be provided service during the peak times of 6:00 a.m. to 9:00 a.m. during the winter period of November 1 through March 31.
  - The proposed load will not require system reinforcement to the existing system serving Horseshoe Bay.
  - A report is to be sent to the Commission after the dual fuel ferry has been in service for one year that identifies infrastructure costs, consumption levels and the status of the grant, in order to review the assumptions used in the regulatory test model.
  - BC Gas will apply at a later date for approval of a Tariff Supplement to Rate Schedule 6 to provide interruptible gas service to BC Ferries.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 25<sup>th</sup> day of March 1999.

BY ORDER

*Original signed by:*

Peter Ostergaard  
Chair