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CANADA



BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER G-74-98

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

and

An Application by Pacific Northern Gas Ltd.  
for Approval of an Amendment to an  
Interruptible Sales and Transportation Service Agreement

**BEFORE:** P. Ostergaard, Chair )  
L.R. Barr, Deputy Chair ) August 20, 1998  
F.C. Leighton, Commissioner )

**O R D E R**

**WHEREAS:**

- A. The Commission, by Order No. G-97-92, approved for Pacific Northern Gas Ltd. ("PNG") an agreement with British Columbia Hydro and Power Authority ("B.C. Hydro") that allowed for a negotiated industrial interruptible sales rate under Tariff Supplement No. 10 for the provision of interruptible gas to B.C. Hydro's thermal generating plant at Prince Rupert, B.C., for the month of October 1992; and
- B. On August 4, 1998, PNG applied for Commission approval of an amendment to Tariff Supplement No. 10, by way of a Letter Agreement that allows for a special arrangement for the sale of interruptible gas. The July 31, 1998 Letter Agreement established a special sales and transportation arrangement for B.C. Hydro's baseload generating requirements for the period July 28 to October 31, 1998; and
- C. The Letter Agreement will enable B.C. Hydro to generate power at its Prince Rupert generating station and deliver it into its integrated system. B.C. Hydro will pay PNG a transportation charge of \$0.40/GJ for the service; and
- D. The Commission has reviewed the July 31, 1998 Letter Agreement and finds that approval is required.

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

1. The Commission accepts for filing the July 31, 1998 Letter Agreement between PNG and B.C. Hydro that allows PNG to deliver interruptible gas to B.C. Hydro's Prince Rupert generating station under Tariff Supplement No. 10, at a pipeline transportation margin of \$0.40 per GJ, for the period July 28 to October 31, 1998.
2. PNG is to establish a deferral account for the transportation margin earned on deliveries to B.C. Hydro that are in excess of the 10,000 GJ which PNG included in its 1998 Revenue Requirements Application. Disposition of the monies that accumulate in the account will be determined by the Commission at a future date.
3. PNG is to file, with the Commission, a copy of the Letter Agreement in approved Tariff Supplement format.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 2nd day of September, 1998.

BY ORDER

*Original signed by:*

Peter Ostergaard  
Chair