



BRITISH COLUMBIA UTILITIES COMMISSION	
ORDER NUMBER	G-114-98

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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. – Fort Nelson Division
for Approval of Various Rate Changes effective January 1, 1999

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair)
F.C. Leighton, Commissioner) December 17, 1998
K.L. Hall, Commissioner)
P.G. Bradley, Commissioner)

O R D E R

WHEREAS:

- A. The Commission, by Order No. E-14-97, approved for BC Gas Utility Ltd. – Fort Nelson Division (“BC Gas”) increased commodity costs for natural gas commencing November 1, 1997. By letter dated December 15, 1997, BC Gas advised the Commission that, rather than request an increase in customer rates, it would continue with the 1997 gas cost recovery charge for 1998 and allow the accumulated credit in the Fort Nelson Gas Cost Reconciliation Account (“GCRA”) to be drawn down during 1998; and
- B. The Commission, by Order No. E-15-98, approved for BC Gas the CanWest Gas Supply Inc. (“CanWest”) contract that established natural gas costs for the 1998/99 gas contract year; and
- C. On December 7, 1998, BC Gas applied to the Commission for approval to increase natural gas rates effective January 1, 1999; and
- D. BC Gas identified an accumulated credit in its deferred income tax (“DIT”) account that could be used to offset the accumulated debit in the GCRA deferral account and higher commodity costs for natural gas that are required to be recovered. The increased natural gas costs, offset by DIT, required a flow-through to customer rates of \$0.458/GJ; and
- E. The Commission has reviewed the application and is satisfied that approval of an increase in rates to BC Gas – Fort Nelson Division customers is required.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for BC Gas – Fort Nelson Division an increase in customer rates of \$0.458/GJ effective January 1, 1999. BC Gas is to charge the difference between the rate recovered from customers and the actual commodity rate of purchased gas from the CanWest contract to the GCRA deferral account.
2. The Commission approves for BC Gas the procedure to offset the accumulated debit balance in the GCRA deferral account, as at December 31, 1999, against the DIT credit balance, in the year 2000.
3. BC Gas is to provide the Commission with a detailed breakdown, by rate class, of the amounts that were recovered and deferred in 1999 when it files its GCRA Status Report as of the end of 1999.
4. BC Gas, by way of a customer notice, is to provide all affected customers with an explanation of the January 1, 1999 rate increase and the increase that is not being recovered from customer rates, but is being offset by the DIT account.
5. The Commission will accept, subject to timely filing, amended Gas Tariff Rate Schedules in accordance with the terms of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of December, 1998.

BY ORDER

Original signed by:

Peter Ostergaard
Chair