



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER **G-95-98**

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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 Authorization to Recover from Gas Sales Customers
the Gas Price that Results from Arbitration

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair) October 29, 1998
F.C. Leighton, Commissioner)

O R D E R

WHEREAS:

- A. The British Columbia Utilities Commission (the "Commission"), by Commission Order No. E-4-91, accepted the Gas Purchase Contract between Summit Resources Limited ("Summit") and BC Gas Utility Ltd. ("BC Gas") dated March 8, 1991 (the "Gas Purchase Contract"); and
- B. Summit served notice under the terms of the Gas Purchase Contract, that it wished to renegotiate the gas price as of November 1, 1998; and
- C. The parties have not agreed on the gas price and, on September 22, 1998, BC Gas served notice referring the determination of the gas price, effective November 1, 1998, to arbitration as provided for in the Gas Purchase Contract; and
- D. The Gas Purchase Contract provides that during a negotiation or arbitration, the gas price in effect immediately preceding the giving of notice to negotiate will continue in effect, with no subsequent adjustment of the gas price unless BC Gas is authorized by the Commission to pass-through to customers any change in the gas cost that results from the Arbitrator's Award; and
- E. On October 16, 1998, BC Gas requested authorization from the Commission to pass-through any increase or decrease in the gas price resulting from the Arbitrator's Award to its customers, effective November 1, 1998; and

F. BC Gas administers its gas purchase contracts on behalf of its gas sales customers and, through a Gas Cost Reconciliation Account, passes prudently incurred increases or decreases through to its customers; and

G. The Commission has reviewed BC Gas' submission and finds that its request should be approved.

NOW THEREFORE the Commission orders BC Gas to obtain full reimbursement from (in case of a retroactive gas price increase), or to make full reimbursement to (in case of a retroactive gas price decrease), the customers of BC Gas of any variance during the period from November 1, 1998 to the date of the Arbitrator's Award in the gas cost between the current gas price in the Gas Purchase Contract between BC Gas and Summit and the gas price determined by the Arbitrators.

DATED at the City of Vancouver, in the Province of British Columbia, this 5th day of November, 1998.

BY ORDER

Original signed by:

Peter Ostergaard
Chair