



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 Bypass Rates for British Columbia Hydro and Power Authority

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair) July 22, 1999

O R D E R

WHEREAS:

- A. On January 13, 1999, BC Gas Utility Ltd. ("BC Gas") applied for approval of a Bypass Transportation Agreement ("Bypass Agreement") with British Columbia Hydro and Power Authority ("B.C. Hydro"), dated November 27, 1998, as a Rate Schedule 22 Tariff Supplement; and
- B. The Bypass Agreement provides firm and interruptible rates for the delivery of gas from Huntingdon, B.C. to the Burrard Thermal Generating Station ("Burrard Thermal") and the point of interconnection with the Centra Gas British Columbia Inc. ("Centra Gas") pipeline in Coquitlam, B.C.; and
- C. The rates under the Bypass Agreement resulted from negotiations with B.C. Hydro, and are consistent with BC Gas' standard bypass rate model and the cost to B.C. Hydro of a bypass pipeline alternative from Huntingdon to Burrard Thermal and the Centra Gas interconnection point; and
- D. On February 12, 1999, BC Gas responded to Information Requests from Centra Gas and Commission staff; and
- E. On February 19, 1999, Centra Gas submitted comments regarding the Bypass Agreement and the process that the Commission would use to review it; and
- F. On February 22, 1999, B.C. Hydro responded to an Information Request from Commission staff; and
- G. On March 12, 1999, B.C. Hydro submitted comments in response to the Centra Gas submission; and

- H. Commission Orders No. G-94-98 and G-44-99 approved an interim transportation rate of \$0.25/GJ for deliveries to Burrard Thermal commencing September 30, 1998; and
- I. By Letter No. L-31-99 dated June 18, 1999, the Commission stated that it was prepared to approve the Bypass Agreement, providing BC Gas re-filed the Agreement in standard Tariff Supplement format and incorporated amendments that make rates under the Agreement effective November 1, 1999 and that limit B.C. Hydro's ability to extend the agreement to one 10-year extension; and
- J. On July 15, 1999, BC Gas filed a revised Bypass Agreement with B.C. Hydro dated November 27, 1998, which is effective November 1, 1999 and which provides B.C. Hydro with an option to extend the agreement for one 10-year period; and
- K. The Commission has determined that the revised Bypass Agreement will result in significant benefits for the customers of BC Gas, and should be approved.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for BC Gas the revised Bypass Transportation Agreement with B.C. Hydro that BC Gas filed on July 15, 1999, and which is dated November 27, 1998 and is effective November 1, 1999, as a Rate Schedule 22 Tariff Supplement.
2. The Commission approves a transportation rate of \$0.25/GJ for deliveries to B.C. Hydro at Burrard Thermal, as a permanent rate for the period from September 30, 1998 through October 31, 1999.

DATED at the City of Vancouver, in the Province of British Columbia, this 27th day of July 1999.

BY ORDER

Original signed by:

Peter Ostergaard
Chair