



SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. V6Z 2N3 CANADA  
web site: <http://www.bcuc.com>

BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER G-61-00

TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
FACSIMILE: (604) 660-1102

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

and

The Special Direction to the British Columbia Utilities Commission  
by the Lieutenant Governor in Council through  
Order in Council 1510, dated December 13, 1995

and

An Application by Centra Gas British Columbia Inc.  
for Approval of a Transportation Service Agreement  
with Island Cogeneration Limited Partnership

**BEFORE:** P. Ostergaard, Chair )  
B.L. Clemenhagen, Commissioner )  
K.L. Hall, Commissioner ) June 21, 2000  
N.F. Nicholls, Commissioner )

**O R D E R**

**WHEREAS:**

- A. On May 8, 2000, Centra Gas British Columbia Inc. ("Centra Gas") applied to the Commission for approval of a Transportation Service Agreement dated April 7, 2000 ("the Agreement") with Island Cogeneration Limited Partnership ("ICLP") for its Island Cogeneration Plant near Campbell River, B.C.; and
- B. The Island Cogeneration Plant will supply electricity to British Columbia Hydro and Power Authority ("B.C. Hydro") and steam to Fletcher Challenge Canada Limited's pulp and paper mill. The Agreement provides the terms and conditions of transporting natural gas on Centra Gas' Vancouver Island Natural Gas Pipeline ("the Pipeline") for commissioning and start-up, which precedes the commercial operation of the Island Cogeneration Plant; and
- C. The term of the Agreement is from April 7, 2000 to the Service Expiry Date, which is defined as the earlier of the Commercial Operation Date and December 31, 2000, or such later date as may be agreed to by the parties; and
- D. In letters dated June 5 and 14, 2000, the Vancouver Island Gas Joint Venture ("the Joint Venture"), representing seven pulp and paper mills, opposed the Agreement on the basis that Centra Gas did not have sufficient surplus firm capacity on the Pipeline; and
- E. In a letter dated June 12, 2000, Centra provided comments on the June 5, 2000 letter from the Joint Venture; and
- F. The Commission has reviewed the Agreement and finds that it should be approved for filing subject to conditions.

**NOW THEREFORE**, pursuant to Section 61 of the Utilities Commission Act, the Commission orders as follows:

1. The Commission approves for filing for Centra Gas the April 7, 2000 Transportation Service Agreement with ICLP for service to its Island Cogeneration Plant for the period commencing April 7, 2000 and expiring on the Service Expiry Date, subject to Centra Gas filing, by July 14, 2000, the Agreement in a form that has been amended to contain the following conditions:
  - The Agreement is without prejudice to future rate setting or commercial operation agreements. The issue of industrial rate setting is to be part of the Centra Gas rate design review scheduled for the fall of 2000.
  - Firm service will be provided to ICLP only if the firm requirement demanded by the Joint Venture at that time is met, and Centra Gas is not requesting peaking gas from the Joint Venture.
  - Interruptible service will be available to ICLP and the Joint Venture on a pro-rata basis.
  - The Service Expiry Date will be amended to mean the earlier of the Commercial Operation Date or December 31, 2000.
2. Centra Gas will provide a report to the Commission by September 1, 2000, that defines its current firm pipeline capacity, firm service requirements, and all short and long-term options for increasing pipeline capacity and their timing.
3. The Agreement, as amended and executed by Centra Gas and ICLP, is to be filed with the Commission in standard tariff supplement format.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 29<sup>th</sup> day of June 2000.

BY ORDER

*Original signed by:*

Peter Ostergaard  
Chair