



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 a Natural Gas Vehicle Incentive Grant
for the Ministry of Transportation and Highways

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair)
B.L. Clemenhagen, Commissioner) April 27, 2000
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. On February 24, 2000, BC Gas Utility Ltd. ("BC Gas") applied for Commission approval of a Natural Gas Vehicle ("NGV") incentive grant in the amount of \$250,000 for the Ministry of Transportation and Highways' ("MoTH") new Kootenay Lake ferry; and
- B. The NGV grant will enable MoTH to offset the additional cost that will be incurred to convert the Kootenay Lake ferry to dual fuel (natural gas/diesel). The \$250,000 BC Gas grant will be used to purchase spare main and generator engines to work on development of the natural gas version, and will be subject to development of a functioning engine, payable when the vessel goes into service in June 2000; and
- C. BC Gas has requested a 50 percent delivery charge reduction to Rate Schedule 6, subject to minimum take-or-pay volumes; and
- D. The Commission has reviewed the BC Gas application and finds that approval is in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for BC Gas an NGV incentive grant of \$250,000 for MoTH to convert its Kootenay Lake ferry to dual fuel natural gas/ diesel and for a tariff variance to Rate Schedule 6, for a 50 percent reduction in the delivery charge, subject to the following:
 - The grant of \$250,000 is payable when the vessel begins service and is dependent on a minimum consumption level of 79,000 GJ/year for a term of 6 years.

- The executed agreement with MoTH is to be filed in standard Rate Schedule 6 Tariff Supplement format.
- MoTH will be served under Interruptible Rate Schedule 6 Tariff Supplement for a period of 15 years.
- Maximum payback period for the grant is to be 6 years.
- Rate Schedule 6 delivery charge will be reduced by 50 percent for 5 years and after that period the customer must demonstrate that a discounted rate is warranted considering the competitive option available.
- The proposed load will not require system reinforcement to the existing system serving the area.

DATED at the City of Vancouver, in the Province of British Columbia, this third day of May 2000.

BY ORDER

Original signed by:

Peter Ostergaard
Chair