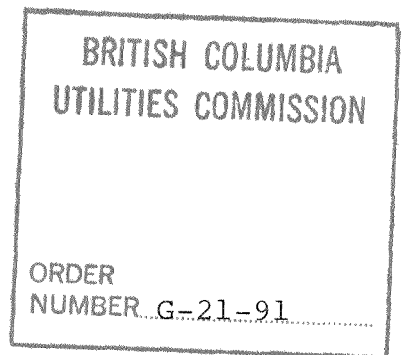




IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

IN THE MATTER OF an Application by
Centra Gas British Columbia Inc.

BEFORE: J.G. McIntyre,)
Chairman;)
J.D.V. Newlands,)
Deputy Chairman;) February 20, 1991
N. Martin,)
Commissioner; and)
W.M. Swanson, Q.C.)
Commissioner)

ORDER

WHEREAS:

- A. On February 14, 1991 Centra Gas British Columbia Inc. ("Centra Gas") applied to the Commission for approval to establish a deferral account to record the January, 1991 losses due to increased propane product costs absorbed by the Company and not passed-through to its Grid System Customers in Nanaimo, and Victoria; and
- B. On January 11, 1991 Centra Gas applied for a cost of propane increase to be effective January 1, 1991 to all customers in the amount of \$2.2632 per GJ which was approved by Commission Order No. G-7-91 to be effective February 1, 1991; and
- C. Centra Gas advised the Commission that it incurred a loss of \$232,000 in January, 1991 as a result of unforeseen increased propane product charges, which was in addition to an actual loss of \$700,000 in 1990; and
- D. Centra Gas advised that due to the volatility of propane prices, it wished to continue the deferral account until the availability of natural gas which is expected in September, 1991.
- E. The Commission has reviewed the Application and supporting material, and is satisfied that approval is necessary and in the public interest.

NOW THEREFORE the Commission hereby orders as follows:

- 1. The Commission approves the Centra Gas Application to establish a propane cost deferral account for its Victoria and Nanaimo Divisions effective January 1, 1991 with the bench-mark rates as calculated in its January 11, 1991 Application.
- 2. The deferral account balance will be disposed of by way of future direction of the Commission when natural gas becomes available on Vancouver Island.
- 3. A monthly reconciliation of the deferral account by shipments of propane costs is to be provided to the Commission within 30 days following each month-end.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of February, 1991.

BY ORDER

John G. McIntyre
Chairman