

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

and

IN THE MATTER OF an Application by BC Gas Inc.

BEFORE: J.G. McIntyre, Chairman; J.D.V. Newlands, Deputy Chairman; N. Martin, Commissioner; and W.M. Swanson, Q.C., Commissioner April 10, 1991

ORDER

WHEREAS:

- A. Pursuant to the Commission's Rules for the filing of Energy Supply Contracts under Section 85.3 of the Utilities Commission Act, BC Gas Inc. ("BC Gas") on February 26, March 1, 7 and 25 and April 8, 1991, applied to the Commission for approval of a number of natural gas supply contracts to be effective November 1, 1991; and
B. The supply contracts provide for a diversified long-term supply of natural gas to the BC Gas core market, as summarized in Appendix A attached to this Order; and
C. The Commission has reviewed the supply contracts and supporting material and is satisfied that the contracts conform to the Rules and are in the public interest.

NOW THEREFORE the Commission hereby orders as follows:

- 1. The natural gas supply contracts described in Appendix A to this Order are approved and accepted for filing pursuant to Section 85.3 of the Act and the Rules.
2. A review of contract reserves or contract deliverability, depending on the nature of the contract, will be conducted by the Ministry of Energy, Mines and Petroleum Resources pursuant to Rule 1.3. If the Ministry review identifies any reserve or deliverability deficiency in any of the contracts, the Commission may require further action by the contracting parties.
3. By separate Order the Commission will consider the competitiveness of purchase gas prices for each contract following negotiations between BC Gas and its suppliers. These prices, effective November 1, 1991, are to be filed with the Commission by July 1, 1991 and will be reviewed pursuant to Rule 2.4.3.

BRITISH COLUMBIA  
UTILITIES COMMISSION

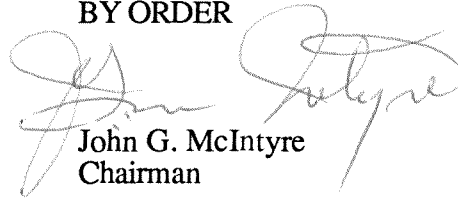
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4. BC Gas will file with the Commission for approval by August 1, 1991, an application which describes the method for translating gas purchase costs to customer rates. The Commission does not, on the basis of the information provided, necessarily accept the demand/commodity structure incorporated in the gas purchase contracts as just and reasonable from a rate-making perspective. The Commission accepts the demand/commodity structure for gas purchases but will review this matter prior to the commencement of the next gas contract year.

DATED at the City of Vancouver, in the Province of British Columbia, this 10<sup>th</sup> day of April, 1991.

BY ORDER



John G. McIntyre  
Chairman

/cms  
Attachment

## Appendix A

### BC Gas Natural Gas Supply Contract Filings

Supplier	Contract Quantity (10 <sup>3</sup> m <sup>3</sup> /day)	Contract Term (years)	Contract Type	Contract Date -1991	Filing Date -1991
Kerr-McGee Canada Ltd.	110	15	reserve-based	7-Feb	26-Feb
Shell Canada Ltd.	283	15	deliverability	11-Feb	1-Mar
Penn West Petroleum Ltd.	142	15	reserve-based	12-Feb	7-Mar
Alberta & Southern Gas Co. Ltd.	1983	10	deliverability	20-Feb	25-Mar
Amerada Hess Canada Ltd.	425	10	deliverability	18-Feb	25-Mar
Amerada Hess Canada Ltd.	142	10	deliverability	19-Feb	25-Mar
Amoco Canada Petroleum Ltd.	795	15	deliverability	8-Mar	25-Mar
Canadian Hunter Marketing Ltd.	570	10	deliverability	8-Mar	25-Mar
Canadian Hunter Marketing Ltd.	200	10	deliverability	9-Mar	25-Mar
Columbia Gas Development of Canada Ltd.	375	15	deliverability	8-Mar	25-Mar
Czar Resources Ltd.	283	15	reserve-based	8-Feb	25-Mar
Czar Resources Ltd.	564	2	deliverability	9-Feb	25-Mar
Esso Resources Canada Ltd.	170	15	deliverability	8-Mar	25-Mar
Northwest Pacific Energy Marketing Inc.	710	10	deliverability	8-Mar	25-Mar
Petro-Canada	708	15	deliverability	8-Mar	25-Mar
Total Petroleum Canada Ltd.	100	15	deliverability	14-Feb	25-Mar
Unocal Canada Ltd.	115	15	reserve-based	7-Mar	25-Mar
Unocal Canada Ltd.	465	15	deliverability	8-Mar	25-Mar
CanWest Gas Supply Inc.	3965	15	deliverability	2-Apr	8-Apr
<b>Total</b>	<b>12105</b>				