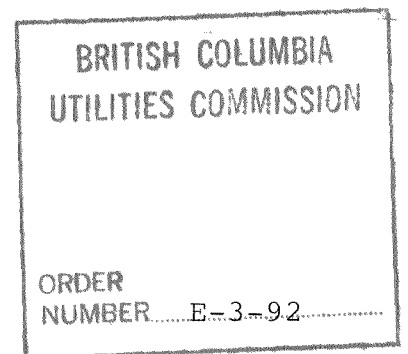




IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

IN THE MATTER OF an Application by
BC Gas Inc.

BEFORE: J.G. McIntyre,)
Chairman; and)
N. Martin) March 18, 1992
Commissioner)

O R D E R

WHEREAS:

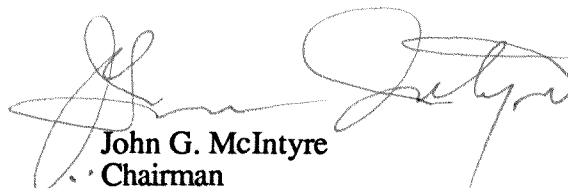
- A. On March 13, 1992 BC Gas Inc. ("BC Gas") filed with the Commission for approval, Interruptible Gas Sales Agreements with Grand Valley Gas Company ("Grand Valley") and Unigas Corporation ("Unigas") dated February 28, 1992 and February 26, 1992 respectively for off-system gas sales ("the Agreements"); and
- B. The Agreements would allow Grand Valley and Unigas to purchase approximately 21,000 GJ/day and 7,100 GJ/day respectively of BC Gas' excess capacity or "valley gas" for terms of one month and one year respectively commencing March 1992, at negotiated prices; and
- C. The Commission encouraged such sales of valley gas in its February 21, 1992 Decision into BC Gas gas cost allocation methodology; and
- D. The Agreements will provide an expected contribution to reduce the costs allocated to core market customers in the approximate amount of \$100,000 for the month of March 1992 as well as associated load factor benefits to long-term gas purchase contracts; and
- E. The Commission has reviewed the Agreements and finds that approval for the month of March only would be appropriate and in the public interest.

NOW THEREFORE the Commission orders as follows:

- 1. The Commission approves the Agreements for the month of March 1992 only.
- 2. Core Market contributions are to be accounted for in the deferral account established by Commission Order No. E-2-92.
- 3. Consistent with Order No. E-2-92, BC Gas is to provide the Commission with evidence that a broader range of potential purchasers has been canvassed and that prices are market-based for any further sales of valley gas beyond March 31, 1992.

DATED at the City of Vancouver, in the Province of British Columbia this 20th day of March, 1992.

BY ORDER


John G. McIntyre
Chairman

/mmc

BCUC/Orders/BCG Int.Gas Sales-March