



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-69-92

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: M.K. Jaccard,)
Chair;)
L.R. Barr,)
Deputy Chair; and) August 14, 1992
F.C. Leighton,)
Commissioner)

ORDER

WHEREAS:

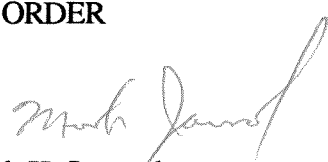
- A. BC Gas Inc. applied on July 15, 1992 for Commission approval to participate in the Fraser Valley Gas Exploration Project's Exploration Program and account for expenses estimated at \$4.358 million ("the Application"); and
- B. The Exploration Program consists of three wells, one drilled in Delta in 1991 and two proposed to be drilled in Langley later this year; and
- C. Previous approvals granted to BC Gas for participation in drilling activities were on the basis of exploration for underground storage; and
- D. The Application's economics are based entirely on a local supply of gas with no benefits associated with underground storage; and
- E. The Commission has considered the Application and has concluded that approval is not in the public interest.

NOW THEREFORE the Commission orders as follows:

- 1. The Application is denied.
- 2. BC Gas is to amortize, over a ten year period, previously approved costs consisting of \$7,224,000 incurred prior to July 5, 1991, plus an allowance for AFUDC to cover the period July 5, 1991 to the date of this Order. AFUDC calculations should be based on the cost of capital approved by Order No. G-63-92 for the period commencing January 1, 1992.

DATED at the city of Vancouver, in the Province of British Columbia, this 14th day of August 1992.

BY ORDER


Mark K. Jaccard
Chair

/lm