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

and

An Application by BC Gas Utility Ltd.
for approval of Rates for Industrial Customers - Lower Mainland Division

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) October 21, 1994

O R D E R

WHEREAS:

A. On October 14, 1994 BC Gas Utility Ltd. - Lower Mainland Division ("BC Gas") applied to the Commission for approval of negotiated rates for the 1994/95 gas contract year under Rate Schedules 10 and 22 for Large Volume Industrial Customers Lafarge Canada Inc. ("Lafarge") and Tilbury Cement Limited ("Tilbury"); and

B. The agreements with Tilbury and Lafarge include sales rates which have been negotiated so as to be competitive with coal in order to keep both customers using natural gas and making a contribution towards BC Gas' system costs; and

C. The Commission has reviewed the agreements and finds that approval is necessary and in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for BC Gas a negotiated Rate Schedule 10 Interruptible Sales Agreement dated August 29, 1994 and a negotiated Rate Schedule 22 Large Volume Transportation Agreement dated October 7, 1994, both with Lafarge, for the gas contract year commencing November 1, 1994.

2. The Commission approves for BC Gas a negotiated Rate Schedule 10 Interruptible Sales Agreement dated October 6, 1994 with Tilbury for the gas contract year commencing November 1, 1994.

3. BC Gas is directed to file the above-noted Agreements in approved tariff supplement format for acceptance by the Commission.

4. BC Gas is directed to file by April 30, 1995 a report that discusses the advantages and disadvantages of discounting the gas sales price or delivery charge, or both when negotiating a competitive burner-tip price. The report should consider the effect on revenue and risk to the utility and to other ratepayers of each alternative and recommend a uniform practice or practices for specific situations.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of October, 1994.

BY ORDER

Dr. Mark K. Jaccard
Chairperson