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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-49-95

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AN ORDER 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 Utility Ltd. for Approval of CIS Cost Recovery

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) June 9, 1995

O R D E R

WHEREAS:

- A. Pursuant to Phase 1 of the Commission's June 16, 1994 Decision on BC Gas Utility Ltd.'s ("BC Gas") 1994/95 Revenue Requirements Application the Commission, on September 6, 1994, directed BC Gas to prepare a detailed report on the costs associated with its failed Customer Information System ("CIS") ("the Theseus project"); and
- B. On October 31, 1994 BC Gas filed its report on the CIS project costs and requested recovery in rate base and deferral account treatment of approximately \$10.1 million, net of the \$4.8 million settlement credit from IBM Corp.; and
- C. Following a number of Commission staff information requests, BC Gas conducted a CIS Workshop on March 3, 1995 that was attended by intervenors and interested parties. Intervenors at the Workshop concurred that Commission staff negotiate a settlement with BC Gas with respect to the recovery of the CIS costs; and
- D. On May 5, 1995 BC Gas submitted a proposed settlement and regulatory treatment for the recovery of CIS costs which was circulated to all registered intervenors of the BC Gas Phase 1 1994/95 Revenue Requirements hearing for comment. No comments were received and the settlement proposal was submitted to the Commission, as a whole, for consideration.

NOW THEREFORE the proposed settlement application of the BC Gas CIS project costs are approved by the Commission as follows:

1. BC Gas shareholders are responsible for \$1,312,000 of costs made up of \$179,000 direct costs and \$1,133,000 of AFUDC on the Theseus project.
2. BC Gas is to record \$9,248,000 as Plant Held for Future Use in 1996 which is to be reallocated based on its usefulness when the final CIS has been implemented.
3. BC Gas is to record \$553,000, relating to project deliverables such as meter records and postal codes, in the 1996 Plant in Service.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of June, 1995.

BY ORDER


Dr. Mark K. Jaccard
Chairperson