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CANADA



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-105-96

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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 a Peaking Study Deferral Account

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) October 22, 1996

O R D E R

WHEREAS:

- A. The August 12, 1994 Revenue Requirements Decision for BC Gas Utility Ltd. ("BC Gas") approved an LNG Project Deferral Account and expenditures of \$320,000 for Phase I of the feasibility study for a new LNG plant; and
- B. On September 6, 1996 BC Gas requested approval of a deferral account (the "Peaking Study Deferral Account") for expenditures of \$1,355,000 to complete its Peaking Supply Feasibility Study and Supply Plan Update (the "Study"), which amount included the \$320,000 for the LNG study; and
- C. In its application, BC Gas requested approval to fold the Phase I LNG study costs into the Peaking Study Deferral Account and to increase the amount for the LNG study to \$675,000; and
- D. By letter dated October 7, 1996 and at a meeting with the Commission on October 17, 1996, BC Gas presented additional material in support of its application, including information that an additional expenditure, beyond the \$675,000, of \$430,000 is the minimum required to maintain the schedule of activities for the Study; and
- E. On October 17, 1996 BC Gas filed its preliminary report on Phase I of the LNG study and indicated that it plans to file an updated LNG report later in 1996; and

F. The Commission, having reviewed the application and supporting information, determined that the following directions are required.

NOW THEREFORE the Commission orders that:

1. A Peaking Study Deferral Account and expenditures up to \$430,000 for the Study are approved.
2. BC Gas is directed to file an interim report from the Study as early as possible and in no event later than December 31, 1996. This interim report of the information developed to date is to include an updated budget for the completion of the Study and to justify the budget in terms of level of expenditure, timing and prudence of costs.
3. BC Gas' request to increase the level of expenditure that is approved for the LNG feasibility study and to fold the LNG Project Deferral Account into the Peaking Study Deferral Account is denied at this time. The justification for expenditures in excess of \$320,000 will be considered at a future date.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of October, 1996.

BY ORDER

Original signed by:

Dr. Mark K. Jaccard
Chairperson