

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3
CANADA



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-103-97

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by BC Gas Utility Ltd.
for Approval of a Deferral Account
for the Salmon Arm Reinforcement Expenditures

BEFORE: L.R. Barr, Deputy Chair)
and Acting Chair) October 2, 1997
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. In an Application dated August 5, 1997, BC Gas Utility Ltd. ("BC Gas") requested approval to record in a deferral account \$1.4 to \$2.5 million of Phase I expenditures incurred to reinforce its gas distribution system in the Salmon Arm region of British Columbia; and
- B. The amount requested was largely to cover study and public participation costs related to a satellite LNG alternative, and included funds to option land for up to three potential sites; and
- C. The Application also requested approval to record in the account an allowance for funds used during construction ("AFUDC"), and to amortize the account balance in customer rates if the project does not go ahead; and
- D. The Consolidated Settlement Document dealing with BC Gas' 1998-2000 Revenue Requirements, which was approved by Commission Order No. G-85-97 dated July 25, 1997, identified an Interior LNG Satellite Facility as a potential Special Project that would be dealt with through an application for a Certificate of Public Convenience and Necessity; and
- E. The Commission has considered the Application and is satisfied that approval of the deferral account is required.

NOW THEREFORE the Commission orders as follows:

1. A deferral account for the recording of up to \$1.7 million (plus overhead and AFUDC) of reasonable and prudent Phase I expenditures that relate to a satellite LNG peak shaving facility to reinforce its Salmon Arm natural gas lateral is approved for BC Gas.
2. In the event that the Salmon Arm Satellite LNG Project is not built, and subject to a review for prudence, the deferral account balance will be amortized to customers' rates in a manner and a time period to be established by way of future Commission Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of October, 1997.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chair
and Acting Chair