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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-112-97

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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 an LNG Liquefaction and Dispensing Agreement

BEFORE: L.R. Barr, Deputy Chair)
and Acting Chair) October 31, 1997
F.C. Leighton, Commissioner)

O R D E R

WHEREAS:

- A. On October 27, 1997 BC Gas Utility Ltd. ("BC Gas") applied to the Commission for approval, of an Interruptible Transportation Agreement and an Interruptible Liquefaction and Dispensing Agreement of customer-owned gas with International Forest Products Ltd. ("Interfor") for the period November 1, 1997 to October 31, 2002; and
- B. The proposed Agreements included a rate of \$0.40/GJ for Interruptible Transportation Service, and a rate of \$0.90/GJ for Interruptible Liquefaction Service; and
- C. The Commission has reviewed the rates for service and has determined that the interruptible liquefaction rate should be based on:
 - the higher of the full O&M costs or, the incremental O&M costs, and
 - the rate should replace the costs associated with maximum LNG send-outs being required at both the beginning and the end of the heating season, namely a rate of \$0.15 per GJ rather than the \$0.10 per GJ rate proposed; and
- D. The Commission has reviewed the Application and finds that its approval is required subject to the modifications to the contract as noted above.

NOW THEREFORE the Commission approves, subject to BC Gas filing Tariff Supplements No. E-10 and I-5 with the appropriate changes, the BC Gas/Interfor Interruptible Transportation Agreement and the Interruptible Liquefaction and Transportation Agreement, effective November 1, 1997.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of November, 1997.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chair and
Acting Chair