



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 to Decrease Revelstoke Propane Rates and Reference Price

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair) June 10, 1999
P.G. Bradley, Commissioner)

O R D E R

WHEREAS:

- A. The Commission, by Order No. G-75-98, approved for BC Gas Utility Ltd. ("BC Gas") a decrease of \$0.259/GJ in customer rates, a decrease in the reference price in the Revelstoke Propane Cost Deferral Account ("the Deferral Account") to \$0.1582/litre and the amortization of the Deferral Account over one year, effective September 1, 1998; and
- B. During the period September 1998 to May 1999, the actual price of bulk propane purchased by BC Gas on behalf of customers declined more than expected resulting in a faster drawdown of the Deferral Account to an expected residual credit balance of approximately \$89,000 at the end of June 1999; and
- C. On June 3, 1999, BC Gas applied to the Commission to pass-through a decrease in customer rates of \$1.306/GJ, reduce the reference price of propane for use in the Deferral Account from \$0.1582/litre to \$0.1260/litre and remove the Deferral Account amortization, effective July 1, 1999; and
- D. The proposed rate changes will result in customer rates declining by approximately 12.9 percent for Residential, 16.2 percent for Small Commercial and 17.5 percent for Large Commercial customers; and
- E. The Commission has reviewed the Application and finds that approval is required.

NOW THEREFORE the Commission orders as follows:

1. The Commission, pursuant to Section 61(4) of the Utilities Commission Act, approves for BC Gas its application to pass-through a decrease of \$1.306/GJ to customer rates and a decrease in the reference price of the Deferral Account from \$0.1582/litre to \$0.1260/litre, both effective July 1, 1999.
2. The Commission approves for BC Gas the removal of the Deferral Account surcharge effective July 1, 1999.
3. The residual credit balance in the Deferral Account will attract interest at the short-term debt rate and be available to offset future propane cost increases.
4. BC Gas is to file Gas Tariff Rate Schedules in accordance with this Order in a timely manner.
5. BC Gas is to prepare a notice informing customers of the decrease in customer rates, the decrease in reference price, and the removal of the Deferral Account surcharge effective July 1, 1999.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of June 1999.

BY ORDER

Original signed by:

Peter Ostergaard
Chair