



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-9-03

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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 Tariff Supplement No. I-6 with Northwest Natural Gas Company and
the Cancellation of Tariff Supplement No. I-1 with PG&E Energy Trading, Canada Corporation

BEFORE: P. Ostergaard, Chair)
K.L. Hall, Commissioner) February 6, 2003

O R D E R

WHEREAS:

- A. On June 21, 1999 the Commission, by Order No. C-11-99, approved a Certificate of Public Convenience and Necessity for the Southern Crossing Pipeline ("SCP") project. The Order also approved a Firm Tendered Transportation Service Agreement ("Transportation Agreement") for approximately 52,500 Mcfd of SCP capacity (from Yahk or Kingsvale to Huntingdon) with PG&E Energy Trading, Canada Corporation ("PG&E"). The Transportation Agreement had a primary term to October 2010 and required PG&E to pay BC Gas Utility Ltd. ("BC Gas") \$3.6 million per year. PG&E had an option to extend the agreement to October 2020; and
- B. By letter dated December 5, 2002, BC Gas advised the Commission that PG&E was encountering financial difficulties and requested Commission approval for a set of transactions that were designed to preserve the value of the SCP capacity contracted to PG&E for BC Gas and its customers. By Letter No. L-48-02 the Commission stated it was prepared to approve the agreements related to SCP capacity held by PG&E; and
- C. On January 15, 2003, BC Gas applied to the Commission for approval to cancel Tariff Supplement No. I-1 - Firm Tendered Transportation Service Agreement (as amended) with PG&E, and for approval of Tariff Supplement No. I-6 - Firm Transportation Service Agreement with Northwest Natural Gas Company ("NWN") for approximately 42,500 Mcfd of SCP capacity effective November 1, 2004 ("the Application"); and
- D. On January 27, 2003, BC Gas responded to a Commission staff information request concerning the Application; and

E. The Commission has considered the Application and is satisfied that the cancellation of Tariff Supplement No. I-1 and approval of Tariff Supplement No. I-6 are in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for BC Gas the cancellation of Tariff Supplement No. I-1 with PG&E effective January 1, 2003.
2. The Commission approves for BC Gas Tariff Supplement No. I-6 with NWN effective November 1, 2004 and accepts the Tariff Supplement for filing.
3. The Commission will hold the Demand Charge Determination identified as Exhibit A of Tariff Supplement No. I-6 as confidential.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of February 2003.

BY ORDER

Original signed by:

Peter Ostergaard
Chair