



BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER.....G-65-91.....

IN THE MATTER OF the Utilities Commission  
Act, S.B.C. 1980, c. 60, as amended

and

IN THE MATTER OF Commission Decision  
and Order No. G-23-91

BEFORE: J.G. McIntyre, )  
Chairman; )  
N. Martin, ) July 10, 1991  
Commissioner; and )  
W.M. Swanson, Q.C., )  
Commissioner )

### O R D E R

#### WHEREAS:

- A. On January 17, 1990 Ocelot Chemicals Inc. ("Ocelot") filed a complaint pursuant to Section 64 of the Utilities Commission Act ("the Act"), alleging that the rates of Pacific Northern Gas Ltd. ("PNG") are unjust, unreasonable and unduly discriminatory; and
- B. The public hearing into the Ocelot complaint and PNG Rate Design Application proceeded on August 21, 1990 in Prince Rupert, B.C. and continued on August 28, 1990 in Kitimat, B.C., and November 6, 1990 in Terrace, B.C.; and
- C. On February 27, 1991, the Commission issued its Decision on PNG rates that became effective January 1, 1991; and
- D. The Decision instructed PNG to enter into price negotiations with its large industrial interruptible customers to be completed prior to July 1, 1991; and
- E. On June 28, 1991 PNG advised that its large industrial customers desired to maintain interruptible rates at existing levels rather than attempt to negotiate value of service rates; and
- F. The Commission recognizes the need for rate stability and to set rates that are fair, just and reasonable.

**NOW THEREFORE** pursuant to Section 93 of the Act, the Commission orders as follows:

Mrs. D.W. Emes, together with such other Commission staff as may be necessary, is directed to review the matter of industrial rates on the PNG system and report to the Commission, no later than October 31, 1991, pursuant to the Terms of Reference attached as Appendix "A" to this Order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 15<sup>th</sup> day of July, 1991.

BY ORDER

N. Martin  
Commissioner

/cms  
Attachment

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**APPENDIX "A"**

**PACIFIC NORTHERN GAS LTD. ("PNG")  
VALUE OF SERVICE INTERRUPTIBLE RATES  
TERMS OF REFERENCE FOR INQUIRY**

The purpose of the inquiry is to allow the Inquiry Officer to:

- (a) Review the manner in which the interruptible rates for gas service on the PNG transportation system were set to determine if the rates are in accord with Order No. G-23-91.
- (b) Determine the views and concerns of firm and interruptible customers with respect to value of service based interruptible rates.
- (c) Assess whether the proposed rates provide fair and adequate compensation to firm service customers for the service provided.
- (d) Report to the Commission on this subject.