



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

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-97-94

TELEPHONE: (604) 660-4700
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AN ORDER IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

An Application by Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd.
for 1995 Revenue Requirements

BEFORE: M.K. Jaccard, Chairperson; and) December 15, 1994
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. On December 2, 1994 Pacific Northern Gas Ltd. ("PNG") and Pacific Northern Gas (N.E.) Ltd. ["PNG (N.E.)"] jointly applied to the Commission, pursuant to Sections 64 and 106 of the Utilities Commission Act, for approval to amend its gas tariff rate schedules on an interim and permanent basis effective January 1, 1995 ("the Application"); and
- B. The Application requested the Commission approve an interim increase for PNG of 5.68 percent on a gross margin basis (3.94 percent on gross revenue), a 13.75 percent increase on gross margin (5.19 percent on gross revenue) for the Dawson Creek Division and a rate decrease of 5.16 percent on gross margin (3.21 percent on gross revenue) for the Tumbler Ridge Division; and
- C. PNG attributed the revenue deficiency to an increase in the 1995 return on common equity as authorized by the Commission's Return on Equity Decision and confirmed by the Commission on December 2, 1994 by Letter No. L-39-94, an expected increase of 2.35 percent in short-term interest rates from 1994 to 1995, a debit in the short-term interest rate deferral account and the Commission's direction to record deferral accounts on a net of income tax basis; and
- D. The Application includes an increase to cover a revenue deficiency for the Dawson Creek Division resulting from increased maintenance costs on the grid system, a program for relocating residential meters from inside to outside the premises and low economic growth in a sparsely populated area; and
- E. The Application also includes a rate decrease due to a revenue surplus in Tumbler Ridge as a result of the addition of an industrial customer; and
- F. The Commission has reviewed the Application and is satisfied that approval of an interim increase for PNG and PNG (N.E.) at Dawson Creek as well as an interim decrease for PNG (N.E.) at Tumbler Ridge is necessary and in the public interest.

NOW THEREFORE the Commission orders PNG and PNG (N.E.) as follows:

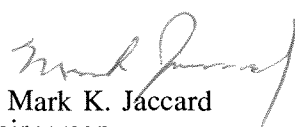
1. The Commission approves for PNG and PNG (N.E.) the following interim increases and interim decrease effective January 1, 1995, subject to refund (or reimbursement to customers at Tumbler Ridge), with interest at the average prime rate of the principal bank with which PNG conducts its business:

	<u>Gross Margin</u>	<u>Gross Revenue</u>
PNG - increase	5.68%	3.94%
PNG (N.E.) Dawson Creek Division - increase	13.75%	5.19%
PNG (N.E.) Tumbler Ridge Division - decrease	(5.16%)	(3.21%)

2. A public hearing into the Application is set to commence on Wednesday, March 8, 1995 in Dawson Creek, B.C., and will reconvene in Prince Rupert on Monday, March 13, 1995 consistent with the Notice of Public Hearing attached to this Order. The matter of using an Alternate Dispute Resolution procedure instead of a public hearing into the Application may also be the subject of a future order of the Commission.
3. In prior dealings with the Commission, PNG has committed to file its final Integrated Resource Plan ("IRP") prior to January 15, 1995. The Commission directs that the IRP will be examined at the Commission hearing into the Application.
4. The Application and supporting materials are to be made available at the Head Office of PNG and PNG (N.E.), Suite 1400 - 1185 West Georgia Street, Vancouver, B.C. and at each district office located in its service area. The Application will also be available for inspection at the B.C. Utilities Commission office, 6th Floor, 900 Howe Street, Vancouver, B.C.
5. Intervenors and interested parties intending to participate in the public hearing should register with the Commission as soon as possible.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of December, 1994.

BY ORDER


Dr. Mark K. Jaccard
Chairperson

Attach.



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NOTICE OF PUBLIC HEARING

PACIFIC NORTHERN GAS LTD. and PACIFIC NORTHERN GAS (N.E.) LTD. 1995 REVENUE REQUIREMENTS

DAWSON CREEK

Date: Wednesday, March 8, 1995
Time: 9:00 a.m.
Location: George Dawson Inn
11705 - 8th Street

PRINCE RUPERT

Date: Monday, March 13, 1995
Time: 9:00 a.m.
Location: Crest Motor Hotel
222 - 1st Avenue West

THE APPLICATION

Pacific Northern Gas Ltd. ("PNG") and Pacific Northern Gas (N.E.) Ltd. ["PNG (N.E.)"] jointly applied to the Commission to increase rates to all customers on an interim and permanent basis, except for an interim decrease in Tumbler Ridge, effective January 1, 1995.

	<u>Gross Margin</u>	<u>Gross Revenue</u>
PNG - increase	5.68%	3.94%
PNG (N.E.) Dawson Creek Division - increase	13.75%	5.19%
PNG (N.E.) Tumbler Ridge Division - decrease	(5.16%)	(3.21%)

The Commission indicated that the Application would either be reviewed at a public hearing or the issues would be resolved through the use of an Alternate Dispute Resolution ("ADR") process.

PRE-HEARING MATTERS

The Commission will be issuing information requests on the joint application to PNG/PNG (N.E.) in order to clarify matters. The Commission will attempt to identify and resolve potential issues, clarify or answer questions of participants in advance of the public hearing. The Commission may also hold a pre-hearing conference set down by a future Order of the Commission.

PUBLIC INSPECTION OF THE APPLICATION

The Application, and supporting material, including the PNG Integrated Resource Plan that is expected to be filed by PNG prior to January 15, 1995, are available for inspection at the following locations:

Pacific Northern Gas Ltd.

Head Office: Suite 1400, 1185 West Georgia Street, Vancouver, B.C. V6E 4E6.

District Offices: Vanderhoof, Burns Lake, Houston, Smithers, Terrace, Kitimat, Prince Rupert and Dawson Creek, B.C.

An Executive Summary of the Application is available, at no charge, to Interested Parties upon request from PNG.

Copies of the Application and supporting material are also available for inspection at the office of the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C. V6Z 2N3.

INTERVENTIONS

Intervenors who wish copies of the Application and other information are urged to register with the Commission and PNG as soon as possible. Intervenors and interested parties are to advise the Commission Secretary of their intention to participate in the proceedings not later than January 16, 1995.

INFORMATION REQUESTS

Registered Intervenors or Interested Parties requesting additional information from the Applicant should do so as soon as possible, but not later than January 30, 1995. Information Requests shall be responded to by PNG before February 13, 1995.

SUBMISSIONS BY INTERVENORS

Written evidence and submissions from Intervenors is required to be filed, one copy each, with the Commission Secretary and PNG, by February 20, 1995.

PARTICIPANT FUNDING

All parties intending to apply for Participant Funding must first register with the Commission and obtain the new guidelines for participant funding. All parties must then file a budget by February 6, 1995 consistent with the Commission's Rate Sheet as outlined in Order No. G-117-93.

CLARIFICATION

Persons intending to participate in the Pre-hearing Conference and the ADR process, and who are uncertain as to the manner in which to proceed, may contract Mr. R. J. Pellatt, Commission Secretary or Mr. Simon Wong, Manager, Rates and Finance - Petroleum; by telephone at 660-4700, or B.C. Toll Free: 1-800-663-1385, or in writing to the above address or by fax at 660-1102. The Commission can also be reached on the Government Electronic Mail System ("GEMS") at RPELLAT@BCSC or, on the Internet at RPELLAT@VAXBCSC.GOV.BC.CA

BY ORDER



Robert J. Pellatt
Commission Secretary