



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./Pacific Northern Gas (N.E.) Ltd.
for Approval of 1995 Revenue Requirements

BEFORE: M.K. Jaccard, Chairperson; and)
H.J. Page, Commissioner) April 6, 1995

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 their Gas Tariff Rate Schedules on an interim and permanent basis effective January 1, 1995 ("the Application"); and
- B. The Commission reviewed the Application, approved an interim increase for PNG and PNG(N.E.) at Dawson Creek; an interim decrease for PNG(N.E.) at Tumbler Ridge; and issued Order No. G-97-94 and Notice of Public Hearing; and
- C. On December 20, 1994 PNG informed the Commission of its desire to settle the Application by way of an Alternative Dispute Resolution ("ADR") process and proposed a timetable for the process; and
- D. On January, 19 1995 the Commission, by Order No. G-11-95, scheduled a February 2, 1995 Pre-Hearing Conference to discuss potential issues in the Application; timing of the ADR or public hearing process; and for participants to clarify and have questions answered regarding the Application.
- E. The Commission, by Order No. G-16-95, approved the ADR process; set down the rate design matters for a public hearing; and required PNG/PNG(N.E.) to file final cost of service studies and evidence by August 1, 1995; and
- F. The Commission was informed by PNG/PNG(N.E.), registered intervenors, and Commission staff that settlement agreements had been reached through the ADR process. The Commission has reviewed the settlement proposal package and considers that approval of the settlement proposals is in the public interest.

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

1. The Commission approves for PNG/PNG(N.E.) the revised 1995 Revenue Requirements to reflect revenue deficiency/surplus for each Division as follows:

	REVENUE DEFICIENCY (Surplus)	RATE INCREASE (Decrease)
<u>PNG:</u> Original Application Revised Application Feb. 28/95 Settlement	\$2.200 Million \$2.312 Million \$1.487 Million	3.94% 4.16% 2.67%
<u>Dawson Creek:</u> Original Application Settlement	\$260,000 \$228,000	5.19% 4.55%
<u>Tumbler Ridge:</u> Original Application Settlement	\$(68,000) \$(98,000)	(3.53)% (5.05)%

2. The 1995 Revenue Requirements public hearing is cancelled. The Rate Design/Integrated Resource Planning public hearing, as directed in Order No. G-16-95, will proceed as ordered.
3. Issues implicitly considered by all parties to derive the revenue requirement reduction proposals may be reviewed without prejudice on a forward looking basis by the Commission on its own initiative or in a future hearing of PNG/PNG(N.E.).
4. PNG/PNG(N.E.) is to file permanent Gas Tariff Rate Schedules in accordance with the terms of the ADR settlement and this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of April, 1995.

BY ORDER



Dr. Mark K. Jaccard
Chairperson