



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

and

An Application by Methanex Corporation  
for Reconsideration of the  
Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd.  
December 15, 1995 Rate Design Decision and Commission Order No. G-106-95

**BEFORE:** L.R. Barr, Deputy Chairperson; and )  
K.L. Hall, Commissioner ) March 15, 1996

**O R D E R**

**WHEREAS:**

- A. On February 1, 1996 Methanex Corporation ("Methanex"), applied to the Commission pursuant to section 114 of the Utilities Commission Act ("the Act"), for a reconsideration (the "Methanex Reconsideration Application") of the Pacific Northern Gas Ltd. ("PNG") and Pacific Northern Gas (N.E.) Ltd. ["PNG(N.E.)"] Rate Design Decision dated December 15, 1995 (the "Decision") with respect to the following matters:
- (i) The use of a forecast volume of interruptible gas sales to Methanex in the rate design determination which, according to Methanex, was not representative of actual or anticipated volumes for the years 1995 and 1996.
  - (ii) The Commission's Decision to combine firm and interruptible sales revenues in the revenue to cost ratio calculations; and
- B. On February 8, 1996 the Commission, by Order No. G-14-96, established a process for affected parties to file Written Submissions to address the preliminary questions of whether there should be any reconsideration and, if so, whether the Commission should hear new evidence; and
- C. On February 29, 1996, Eurocan Pulp and Paper Company and Skeena Cellulose Inc. (the "Mills") filed a submission which included a request for a reconsideration of other parts of the Decision which directly impact on the Mills; and
- D. On March 11, 1996, Methanex filed a reply submission which included a request for a reconsideration of the imputed value of service for interruptible sales gas which is purchased from PNG; and
- E. The Commission has considered the Methanex Reconsideration Application and the other submissions which it has received and, recognizing that it is desirable to avoid more than one reconsideration hearing, has determined that the following actions are required.

**NOW THEREFORE** the Commission orders as follows:

1. The Commission allows the first part of the Methanex Reconsideration Application concerning the forecasting of the interruptible Methanex volumes to proceed to the next phase of the reconsideration and denies the second part of the application concerning the use of a combined revenue to cost ratio. The request to present new evidence on the matter being reconsidered is granted.
2. Any party that intends to request a reconsideration on a matter ("supplementary matter") other than those raised in the Methanex Reconsideration Application is requested to file a submission ("Supplementary Reconsideration Application") by Monday, March 25, 1996 which identifies (or confirms) the subject of the request and provides evidence in support of the request. The Commission will distribute copies of any submissions it receives to Registered Intervenors in the PNG/PNG(N.E.) 1995 Cost of Service/Rate Design proceeding and to other affected parties.
3. Any Registered Intervenor in the PNG/PNG(N.E.) 1995 Cost of Service/Rate Design proceeding or any other affected party who wishes to comment on a Supplementary Reconsideration Application, is to file a Written Submission with the Commission Secretary and the party who filed the Application, by Tuesday, April 9, 1996. Written Submissions should address the following preliminary matters:
  - (i) Should there be a reconsideration of any of the supplementary matters by the Commission?
  - (ii) If there is to be a reconsideration of supplementary matters, should the Commission hear new evidence?
4. Parties who filed Supplementary Reconsideration Applications are to file with the Commission Secretary, no later than Friday, April 12, 1996, a written reply to any written submissions which they receive.
5. The Commission will issue its decision by Wednesday, April 24, 1996 regarding which, if any, of the matters that were raised in the Supplementary Reconsideration Applications will proceed to the next phase of the reconsideration and whether new evidence will be heard on such matters. The Commission will also publish a Reconsideration Intervenor List for the reconsideration proceeding.
6. The oral public hearing to present and examine evidence on the forecasting of the interruptible Methanex volumes and on other matters arising from Supplementary Reconsideration Applications which the Commission approves to proceed to the next phase of the reconsideration, will commence at 9:00 a.m. on Friday, May 31, 1996, in the Commission Hearing Room, 6th Floor, 900 Howe Street, Vancouver, B.C.
7. Methanex, or any party who raised a matter in a Supplementary Reconsideration Application which has been approved for reconsideration, is to file any additional written evidence upon which it will rely by Wednesday, May 1, 1996.
8. All parties intending to apply for Participant Funding for the Reconsideration hearing should file a budget consistent with the Commission's Guidelines outlined in Order No. G-117-93, by Wednesday, May 1, 1996.
9. Reconsideration Intervenors intending to make requests for additional information should do so by Monday, May 6, 1996. Information Requests made by May 6, 1996 shall be responded to on or before Monday, May 13, 1996.

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10. Reconsideration Intervenors intending to file written evidence must do so with the Commission and other Reconsideration Intervenors by Friday, May 17, 1996. Any Information Requests regarding such written evidence should be made by Thursday, May 23, 1996. Information Requests made by May 23, 1996 shall be responded to by Monday, May 27, 1996.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of March, 1996.

BY ORDER

*Original signed by:*

Lorna R. Barr  
Deputy Chairperson