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CANADA



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER... E-17-96

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

and

An Application by Pacific Northern Gas Ltd.
for Approval of Pricing Amendments to Baseload Purchase Contracts
for the 1996/97 Gas Contract Year

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) November 21, 1996

O R D E R

WHEREAS:


- A. On July 17, 1996 the Commission, by Letter No. L-25-96, approved for Pacific Northern Gas Ltd. ("PNG") its Gas Contracting Plan for the 1996/97 gas contract year; and
- B. On November 4, 1996 PNG applied to the Commission for approval of letter agreements covering pricing amendments to baseload gas purchase contracts with Talisman Energy Inc. ("Talisman") and Ranger Oil Limited ("Ranger Oil") for the 1996/97 gas contract year; and
- C. The Talisman and Ranger Oil prices for the 1996/97 are based on the Inside FERC Sumas Index plus reasonable market premiums, but do not provide for the full deduction of the Westcoast Energy Inc. transportation costs to adjust prices from Sumas to the Station 2 delivery point; and
- D. The Commission has reviewed the PNG filing and finds that the Talisman and Ranger Oil amendments are not acceptable for approval without further review in a public hearing.

NOW THEREFORE the Commission, pursuant to Section 85.3 of the Utilities Commission Act and the Rules, orders as follows:

1. The Letter Agreement between Ranger Oil and Westcoast Gas Services Inc. ("WGSI") dated September 13, 1996 which establishes pricing for 1996/97 under the PNG baseload contract dated October 28, 1991, is referred to the proceeding into PNG's 1997 Revenue Requirements that has been established by Order No. G-112-96.
2. The Letter Agreement between Talisman and WGSI dated September 25, 1996 which establishes 1996/97 pricing under the PNG baseload contract dated October 24, 1991 is referred to the proceeding into PNG's 1997 Revenue Requirements that has been established by Order No. G-112-96.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of November, 1996.

BY ORDER


Dr. Mark K. Jaccard
Chairperson