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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 (N.E.) Ltd.
for Approval of Various Rate Changes effective January 1, 1997

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) January 9, 1997

O R D E R

WHEREAS:

- A. On December 24, 1996 and subsequently revised on January 7, 1997, Pacific Northern Gas (N.E.) Ltd. ("PNG (N.E.)") applied to the Commission to pass through to customers in Dawson Creek and Tumbler Ridge Divisions rate changes to be effective January 1, 1997; and
- B. The pass through of rate changes include the following:
- adjusted Return on Equity ("ROE") for PNG (N.E.) from 11.75 percent to 11.0 percent approved by Letter No. L-61-96,
 - 1997 projected gas supply costs for the Dawson Creek and Tumbler Ridge Divisions approved by Orders No. E-11-96 and No. E-18-96 respectively,
 - disposition of the 1996 Gas Supply Cost Deferral Account for PNG (N.E.); and
- C. The Commission has reviewed the application for PNG (N.E.) and is satisfied that approval of the rate changes are necessary and in the public interest.

NOW THEREFORE the Commission approves for PNG (N.E.) the following:

1. Changes to Gas Tariff Rate Schedules to reflect the following for PNG (N.E.) effective January 1, 1997 for Dawson Creek and Tumbler Ridge customers:
 - The ROE adjustment as per Letter No. L-61-96,

- 1997 Projected Gas Supply Costs approved by Orders No. E-11-96 and E-18-96,
 - 1996 Gas Supply Cost Deferral Account.
2. PNG (N.E.) by way of customer notice is to provide all affected customers with an explanation of the rate changes.
 3. The Commission will accept, subject to timely filing, amended Gas Tariff Rate Schedules in accordance with the terms of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of January, 1997.

BY ORDER

Original signed by:

Dr. Mark K. Jaccard
Chairperson