

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



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-124-97

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by Pacific Northern Gas Ltd.
for Approval of a 1998 Rate Increase and a Performance Based Rate Plan to
Determine Revenue Requirements for the Years 1999-2002 and
its 1998 Rate Design Study

BEFORE: L.R. Barr, Deputy Chair)
and Acting Chair)
K.L. Hall, Commissioner) December 4, 1997
P.G. Bradley, Commissioner)

O R D E R

WHEREAS:

- A. The Commission, by Order No. G-74-97, directed Pacific Northern Gas Ltd. ("PNG") to file a Cost of Service/Rate Design Study; and
- B. On November 28, 1997 PNG filed the 1998 Cost of Service Allocation / Rate Design Study (the "1998 Study"); and
- C. On November 28, 1997, PNG also filed with the Commission, a 1998-2002 Performance Based Rates ("PBR") Revenue Requirements Application ("the Application"), pursuant to Sections 91 and 58 of the Utilities Commission Act, for approval to increase its gas rates on an interim and final basis, effective January 1, 1998 and to implement a Performance Based Rates Proposal for the 1999 to 2002 fiscal periods; and
- D. PNG has requested that the Application and 1998 Study be dealt with through the process established in the Negotiated Settlement Process, Policy, Procedures and Guidelines issued by the Commission; and
- E. The Commission has reviewed the PNG Application and is satisfied that approval of an interim rate increase is necessary; and
- F. The Commission, in its desire to deal efficiently with issues related to the Application and the 1998 Study, requires that an initial timetable and process for dealing with the issues be established.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for PNG the interim rate increase of 6.89 percent.
2. PNG is to inform all affected customers of the interim increase in rates effective January 1, 1998 by way of a customer notice.

3. The Commission will hold a Pre-Hearing Conference on PNG's Application and 1998 Study on Wednesday, January 7, 1998 commencing at 9:00 a.m. in the Commission Hearing Room, 6th Floor, 900 Howe Street, Vancouver, B.C. The Pre-Hearing Conference will address procedural matters which will include, but not be limited to, the following:
 - scheduling,
 - completeness of the Application,
 - identification of principal issues,
 - process (workshops, information requests, settlement negotiations, public hearings),
 - location(s) of the hearing, and
 - other matters that will enable the proceeding to efficiently cover and review all aspects of the Application and the 1998 Study.
4. PNG will publish, in display-ad format, the attached Notice of Pre-Hearing Conference in the business sections of the Vancouver Sun, the Province, and in all local community newspapers in its service areas by December 12, 1997.
5. PNG is to provide a copy of this Order, by facsimile if possible, to all Intervenors and Interested Parties registered in the 1996 PNG Revenue Requirements Application, as well as all Industrial Customers, as soon as possible.
6. Intervenors and Interested Parties who would like to receive a copy of the Application and/or the 1998 Study should immediately request a copy from PNG and inform the Commission, in writing by December 22, 1997, of their intention to intervene and/or to attend the Pre-Hearing Conference.
7. Following the results of the Pre-Hearing Conference, the Commission will issue an Order and a Regulatory Timetable outlining further steps to be followed in the review of the Application and 1998 Study.

DATED at the City of Vancouver, in the Province of British Columbia, this 4th day of December, 1997.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chair
and Acting Chair

Attachment



ROBERT J. PELLATT
COMMISSION SECRETARY

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
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NOTICE OF PRE-HEARING CONFERENCE

PACIFIC NORTHERN GAS LTD. Application for Approval of a 1998 Rate Increase and a Performance Based Rate Plan to Determine Revenue Requirements for the Years 1999-2002 and its 1998 Rate Design Study

Date: Wednesday, January 7, 1998
Time: 9:00 a.m.
Locations: Commission Hearing Room
6th Floor, 900 Howe Street
Vancouver, B.C.

THE APPLICATION

On November 28, 1997, pursuant to Sections 91 and 58 of the Utilities Commission Act, PNG applied to the Commission for approval to increase its gas rates on an interim and final basis, effective January 1, 1998 and to implement a Performance Based Rates proposal for the 1999 to 2002 fiscal periods ("the Application"); and

On November 28, 1997 PNG filed the 1998 Cost of Service / Rate Design Study (the "1998 Study") required by Commission Order No. G-74-96; and

PNG has requested that the Application be dealt with through the process established in the Negotiated Settlement Process, Policy, Procedures and Guidelines issued by the Commission.

THE REGULATORY PROCESS

The Commission will hold a Pre-Hearing Conference in Vancouver on Wednesday, January 7, 1998 to discuss procedural matters which will include, but not be limited to, the following:

- scheduling,
- completeness of the Application,
- identification of principal issues,
- process (workshops, information requests, settlement negotiations, public hearing),
- location(s) of the hearings; and
- other matters that will enable the proceeding to efficiently cover and review all aspects of the Application.

PUBLIC INSPECTION OF THE APPLICATION

Pacific Northern Gas Ltd.

Head Office: Suite 1400, 1185 West Georgia Street, Vancouver, B.C. V6E 4G6

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

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

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 and Interested Parties who would like to receive a copy of the Application should immediately request a copy from PNG and inform the Commission, in writing, by December 22, 1997, of their intention to become Intervenors or Interested Parties, and/or attend the Pre-Hearing Conference.

Registered Intervenors who actively participate in the review process will receive copies of all correspondence and filed documentation. Interested Parties who register with the Commission will receive a copy of the Application's Executive Summary, all Orders issued, as well as the Commission's Decision.

PARTICIPANT ASSISTANCE

All parties intending to apply for Participant Assistance and who wish to attend the Pre-Hearing Conference must do so consistent with the Commission's Policy and Rate Sheet as outlined in Order No. G-103-96. Copies of the Participant Assistance Policy and Rate Sheet will be sent to all parties registering with the Commission.

CLARIFICATION

Persons intending to participate in the PNG Pre-Hearing Conference, and who are uncertain as to the manner in which to proceed, may contact Mr. Robert J. Pellatt, Commission Secretary, the Information Services Group or Mr. Barry McKinlay, Manager, Rates and Finance as follows:

Telephone: (604) 660-4700
Facsimile: (604) 660-1102

E-Mail: bcuc@pop.gov.bc.ca
Telephone: (B.C. Toll Free) 1-800-663-1385

BY ORDER

Original signed by:

Robert J. Pellatt