



BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER **G-101-98**

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

and

An Application by PNG Marketing Ltd.  
for an Exemption from Regulation for the Wonowon Pipeline

**BEFORE:** P. Ostergaard, Chair )  
L.R. Barr, Deputy Chair )  
K.L. Hall, Commissioner ) December 3, 1998  
F.C. Leighton, Commissioner )

**O R D E R**

**WHEREAS:**

- A. On August 20, 1998, Pacific Northern Gas Ltd. ("PNG"), on behalf of its wholly-owned, non-regulated subsidiary PNG Marketing Ltd. ("PNGM"), applied to the Commission, pursuant to Section 88 of the Utilities Commission Act ("the Act"), for approval of an exemption from the application of the Act, for a fuel gas pipeline ("the Wonowon Pipeline") to be constructed, owned and operated by PNGM for the Wonowon area north of Fort St. John, B.C.; and
- B. The 35-mile pipeline will initially be used to transport residue gas from the Westcoast Gas Services Inc. Highway Plant to gas field compressors owned and operated by Suncor Inc. ("Suncor") and Westcoast Energy Inc. ("WEI"); and
- C. Suncor and WEI, as users of the Wonowon Pipeline, will enter into transportation service agreements with PNGM based on commercial terms and conditions negotiated between the parties; and
- D. On August 25, 1998, PNG confirmed that the costs of providing services to PNGM for some administrative and engineering services, prior to, during and after construction of the Wonowon Pipeline, will be in accordance with PNG's approved Transfer Pricing Policy; and
- E. PNG has confirmed that its regulated subsidiary, Centra Gas Fort St. John Inc., will be able to connect to and obtain transportation service on the Wonowon Pipeline at a future, as yet undetermined, date in order to serve the residents of Wonowon, who are not currently provided natural gas service; and

- F. The Commission has considered the Application and is satisfied that an Order exempting PNGM from certain sections of the Act properly conserves the public interest; and
- G. On November 19, 1998, the approval of the Lieutenant Governor in Council was given to the said exemption by Order in Council No. 1417, 1998, which is attached as Appendix A to this Order.

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

1. Pursuant to Sub-section 88(3) of the Act, the Commission approves for PNGM an exemption from the Act, other than Part 2 and Sections 22 and 99, for the Wonowon Pipeline.
2. PNGM is to provide a copy of the Exemption Order to all known prospective customers that may be served by the pipeline, or who approach PNGM for service on the Wonowon Pipeline.
3. Upon receipt of a written complaint from an interested party, the Commission will review the situation in order to determine if the exemption granted to PNGM should be varied or rescinded.
4. The Commission may, pursuant to Section 99 of the Act, reconsider, vary or rescind any Order made by it.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 8th day of December, 1998.

BY ORDER

*Original signed by:*

Peter Ostergaard  
Chair

Attachment

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. — 1417 , Approved and Ordered NOV 19 1998

I hereby certify that the following is a true copy of a Minute of the Honourable the Executive Council of the Province of British Columbia approved by His Honour the Lieutenant-Governor:

Barbara Emerson  
Deputy Order-in-Council Custodian



\_\_\_\_\_  
Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that approval is given to the British Columbia Utilities Commission to

- (a) exempt the Wonowon Pipeline owned by PNG Marketing Ltd. from the application of the *Utilities Commission Act*, except Part 2 and sections 22 and 99, or
- (b) rescind the exemption described in paragraph (a) if the British Columbia Utilities Commission considers that the exemption is not in the public interest.

Michael Funnell  
Minister of Employment and Investment and Minister Responsible for Housing

Alvin Chan  
Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section:- Utilities Commission Act, R.S.B.C. 1996, c. 473, section 88(3)

Other (specify):- \_\_\_\_\_

October 22, 1998

1573/98/13/am