



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

and

An Application by Pacific Northern Gas (N.E.) Ltd. (Dawson Creek Division)
for Approval of a 1999 Rate Increase and
1998 Cost of Service Allocation/Rate Design Study

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair)
K.L. Hall, Commissioner) December 17, 1998
F.C. Leighton, Commissioner)
P.G. Bradley, Commissioner)

O R D E R

WHEREAS:

- A. On November 4, 1998 Pacific Northern Gas (N.E.) Ltd., Dawson Creek Division, ["PNG (N.E.)"] filed a 1998 Cost of Service Allocation/Rate Design Study; and
- B. On December 3, 1998 PNG (N.E.) filed, pursuant to Sections 91 and 58 of the Utilities Commission Act, a 1999 Revenue Requirements Application ("the Application") for approval to increase its rates on an interim and final basis, effective January 1, 1999; and
- C. On December 16, 1998 PNG (N.E.) filed revisions to its Application revising its delivery charge calculation; and
- D. The Application as filed would result in rate increases of 18.34 percent for residential customers, 18.36 percent for small commercial customers and 12.54 percent for large commercial customers, based upon PNG (N.E.)'s forecast of gas prices in 1999; and
- E. The Commission requested PNG (N.E.) to provide an alternative gas cost calculation based upon forward market prices for 1999; and

- F. PNG (N.E.) provided calculations indicating rate increases of 14.8 percent for residential customers, 14.25 percent for small commercial customers and 8.31 percent for Large Commercial Customers based on the December 7, 1998 forward gas price for 1999; and
- G. The Commission has reviewed the PNG (N.E.) Application and is satisfied that approval of an interim rate increase is necessary; and
- H. The Commission requires that a timetable and process for dealing with the final 1999 revenue requirements application and the cost of service allocation/rate design study be established.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for PNG (N.E.) (Dawson Creek Division) an interim rate increase effective January 1, 1999 including gas cost changes that are based upon the December 7, 1998 forward market price for natural gas as previously provided by PNG (N.E.).
2. PNG (N.E.) is to inform all affected customers of the interim increase in rates by way of a customer notice, to be submitted in draft to the Commission for prior approval.
3. The Commission will hold a Pre-Hearing Conference on PNG (N.E.)'s Application and Cost of Service Allocation/Rate Design Study ("the Applications"), on Friday, January 15, 1999 commencing at 9:00 a.m., (10:00 a.m. in Dawson Creek), with video conferencing facilities in Vancouver, Terrace and Dawson Creek. The Pre-Hearing Conference will address procedural matters which will include, but not be limited to, the following:
 - scheduling,
 - completeness of the Applications,
 - identification of principal issues,
 - process (workshops, information requests, settlement negotiations or public hearings),
 - location(s) of the proceedings, and
 - other matters that will enable the proceeding to efficiently cover and review all aspects of the Applications.

4. PNG (N.E.) will publish, in display-ad format, the attached Notice of Pre-Hearing Conference in the Vancouver Sun, the Province, and in local community newspapers in its service areas by December 31, 1998.
5. PNG (N.E.) is to provide a copy of this Order, by facsimile if possible, to all Intervenors and Interested Parties registered in the 1998 PNG Revenue Requirements Application, as well as all Large Industrial Customers, as soon as possible.
6. Intervenors and Interested Parties should inform the Commission, in writing, by January 8, 1999, 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 to registered intervenors outlining further steps to be followed in the review of the Applications.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of December, 1998.

BY ORDER

Original signed by:

P. Ostergaard
Chair

Attachment



ROBERT J. PELLATT
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>

APPENDIX A
to Order No. G-119-98
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TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
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NOTICE OF PRE-HEARING CONFERENCE

PACIFIC NORTHERN GAS LTD.
PACIFIC NORTHERN GAS (N.E.) LTD - TUMBLER RIDGE DIVISION
PACIFIC NORTHERN GAS (N.E.) LTD - DAWSON CREEK DIVISION
CENTRA GAS FORT ST. JOHN INC.
Application for Approval of a
1999 Revenue Requirements Application
and
1998 Fort St. John/Dawson Creek Cost of Service Allocation/Rate Design Study

Date: Friday, January 15, 1999
Time: 9:00 am (10:00 a.m. in Dawson Creek)
Locations: Department of Fisheries & Oceans Offices
555 West Hastings Street – Room 455
Vancouver, B.C.

with video-conferencing links to :

North Coast Regional Correspondence School
3211 Kenney Street
Terrace, B.C. V8G 3E9

Community Skills Centre
1105 103rd Avenue
Dawson Creek, B.C. V1G 2G8

THE APPLICATIONS

On November 4, 1998 PNG (N.E.) - Dawson Creek Division and Centra FSJ filed their 1998 Cost of Service Allocation/Rate Design Study.

On December 1, 1998 PNG, PNG (N.E.) and Centra FSJ applied to the Commission for approval to increase rates on an interim and final basis, effective January 1, 1999.

PNG has requested that the Applications be dealt with through the B.C. Utilities Commission's Negotiated Settlement Process.

THE REGULATORY PROCESS

The Commission will hold a Pre-Hearing Conference in Vancouver, Terrace and Dawson Creek via video-conferencing facilities, on Friday, January 15, 1999 to discuss procedural matters which will include, but not be limited to, the following:

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

PUBLIC INSPECTION OF THE APPLICATIONS

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, Dawson Creek, Tumbler Ridge and Fort St. John.

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

British Columbia Utilities Commission: Sixth Floor, 900 Howe Street, Vancouver, B.C. V6Z 2N3.

INTERVENTIONS

Intervenors and Interested Parties should inform the Commission in writing, by January 8, 1999, 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 the Application and 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 must submit a budget estimate by January 22, 1999 consistent with the Commission's Participant Assistance/Cost Award Guidelines as outlined in Order No. G-97-98. Copies of these Guidelines are available upon request.

FURTHER INFORMATION

For further information, please contact Mr. Robert J. Pellatt, Commission Secretary, or Mr. Barry McKinlay, Manager, Rates and Finance as follows:

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

E-Mail: Commission.Secretary@bcuc.com
Telephone: (B.C. Toll Free) 1-800-663-1385

BY ORDER

Original signed by:

Robert J. Pellatt