



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

and

An Application by Pacific Northern Gas Ltd.
Pacific Northern Gas (N.E.) Ltd. - Dawson Creek Division
Centra Gas Fort St. John Inc.
for Approval of 1999 Rate Design Changes

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair) June 2, 1999
P.G. Bradley, Commissioner)

O R D E R

WHEREAS:

- A. On November 4, 1998, Pacific Northern Gas Ltd. ("PNG") filed its 1998 Fort St. John/Dawson Creek Cost of Service Allocation/Rate Design Study ("1998 Rate Design Study") concerning the rates to be charged in the Dawson Creek Division of Pacific Northern Gas (N.E.) Ltd. ["PNG (N.E.)"] and Centra Gas Fort St. John Inc. ("Centra-FSJ"); and
- B. On December 23, 1998, the Commission issued Orders No. G-118-98 and G-119-98 establishing a pre-hearing conference to discuss the procedural issues concerning the Commission's review of the 1998 Rate Design Study; and
- C. On January 28, 1999, the Commission issued Order No. G-8-99 (amended by Order No. G-17-99) establishing an Alternative Dispute Resolution ("ADR") process to commence on March 8, 1999 for the 1998 Rate Design Study; and
- D. On February 3, 1999, PNG filed an updated 1999 Fort St. John/Dawson Creek Cost of Service Allocation/Rate Design Study ("1999 Rate Design Study"); and
- E. The ADR process was held in Dawson Creek on March 8 and 9, 1999 to consider the 1999 Rate Design Study, and resulted in a proposed Settlement Agreement dated April 26, 1999 ("the Settlement Agreement"). This document was released to the public and the Commission Panel on May 13, 1999, along with Letters of Endorsement from the Participants; and

- F. A letter of support was received from one other Registered Intervenor, and no letters opposing the Settlement Agreement were received; and
- G. By letter of May 26, 1999, PNG filed a minor correction to the Settlement Agreement. This letter was circulated to the Settlement Participants and none replied; and
- H. The Commission has reviewed the Settlement Agreement and the May 26, 1999 PNG letter (“the Settlement Agreement package”) and considers that approval of the Settlement Agreement package is in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves the Settlement Agreement package for PNG (N.E.) - Dawson Creek Division, and Centra FSJ.
2. PNG (N.E.) and Centra-FSJ are to inform all affected customers of the ADR process and the effect on rates of the Settlement Agreement package.
3. PNG (N.E.) and Centra-FSJ are to file permanent Gas Tariff Rate Schedules that are in accordance with the terms of the ADR Settlement Agreement package and this Order.
4. Refunds to customers are to be made with interest, from January 1, 1999 to the date of refund, calculated at the prime rate of the principal bank with which PNG (N.E.) and Centra-FSJ conducts its business.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of June 1999.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chair