



SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-86-99

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.
and Pacific Northern Gas (N.E.) Ltd.
for Approval of Rate Changes effective October 1, 1999

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair) August 26, 1999
P.G. Bradley, Commissioner)
B.L. Clemenhagen, Commissioner)

O R D E R

WHEREAS:

- A. The Commission, by Orders No. G-58-99 and G-65-99, approved permanent natural gas rates effective January 1, 1999, which included Gas Supply Charges for the Pacific Northern Gas Ltd. service area ("PNG-West") and the Fort St. John and Dawson Creek Divisions, that were based on the February 3, 1999 forward gas price strip; and
- B. On August 23, 1999, Pacific Northern Gas Ltd. ("PNG") and Pacific Northern Gas (N.E.) Ltd. ("PNG (N.E.)") requested approval to increase core market gas sales rates in the PNG-West, Fort St. John and Dawson Creek Divisions by \$0.50/GJ effective October 1, 1999, in order to flow through higher gas purchase costs under their approved gas supply portfolio (the "Application"); and
- C. The Application indicated an approximate 7 percent increase in typical residential annual bills in PNG-West and an 11 percent increase in Fort St. John and Dawson Creek. Typical commercial annual bills would increase by 8 percent in PNG-West and by 12-14 percent in the other divisions; and
- D. Differences between the revenue generated by the approved rates and the actual cost of gas will accumulate in a gas cost deferral account; and
- E. PNG and PNG (N.E.) conduct an after-the-fact reconciliation of actual gas costs and revenue by rate class and service area, and make corresponding adjustments to the future rates of each group of customers; and
- F. The Commission has reviewed the Application and is satisfied that approval of the requested rate increase is necessary and in the public interest.

NOW THEREFORE the Commission orders as follows:

- 1. Changes to the PNG and PNG (N.E.) Gas Tariff Rate Schedules for PNG-West, Fort St. John and Dawson Creek to reflect a \$0.50/GJ increase in the Gas Supply Charge component of core market gas sales rates, as set out in the August 23, 1999 Application, are approved effective October 1, 1999.

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER **G-86-99**

2

2. PNG and PNG (N.E.), by way of a Customer Notice, are to provide all affected customers with an explanation of the rate changes. PNG and PNG (N.E.) are directed to review their bill inserts related to the increase with Commission staff prior to release.
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 31st day of August 1999.

BY ORDER

Original signed by:

Peter Ostergaard
Chair