



0.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 2000 Rate Increases

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair)
P.G. Bradley, Commissioner) December 16, 1999
B.L. Clemenhagen, Commissioner)
K.L. Hall, Commissioner)
F.C. Leighton, Commissioner)

O R D E R

WHEREAS:

- A. On December 1, 1999, Pacific Northern Gas Ltd. ("PNG, PNG-West"), filed a 2000 Revenue Requirements Application ("the Application"), pursuant to Sections 91 and 58 of the Utilities Commission Act ("the Act") for approval to increase rates on an interim and final basis effective January 1, 2000; and
- B. The Application proposed to increase rates to all customers as a result of revenue deficiencies and higher costs of purchasing the natural gas commodity for the 1999/2000 gas contract year; and
- C. The Application also requested approval, effective January 1, 2000, of gas cost rate riders of \$0.10/GJ for all gas sales customers and of \$0.001/GJ in the delivery charge for transportation customers, which will recover approximately one-third of the debit balance (amount to be repaid) that has accumulated in the gas cost variance account at the end of 1999; and
- D. The Application as filed allocated the revenue deficiency to all customers except Methanex Corporation; and
- E. The Commission has reviewed the evidence and finds that an interim rate increase is required.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves an interim rate increase effective January 1, 2000, subject to refund with interest, to recover a projected revenue deficiency of \$3,378,000.
2. The interim increase is to be applied across-the-board to all customers, unless there is an ability to make inter-class shifts in revenue in accordance with the Commission's June 1998 Rate Design Decision.
3. The Commission approves an interim rate increase effective January 1, 2000, subject to refund with interest, to recover gas supply charges and gas cost rate riders as applied for.
4. The Commission will issue a future Order outlining a Regulatory Agenda and Timetable regarding the Application.
5. PNG is directed to file an updated Price Risk Management Plan for its gas procurement by January 25, 2000.
6. PNG is to inform all affected customers of the interim rate increases by way of a customer notice, to be submitted to the Commission in draft form prior to its release.
7. PNG is directed to file an updated breakdown of the rates and rate changes for each customer class on a cost per gigajoule basis, showing the bill impacts for the typical consumption for each class.
8. The Commission will accept, subject to timely filing, amended Gas Tariff Rate Schedules in accordance with this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of December 1999.

BY ORDER

Original signed by:

Peter Ostergaard
Chair