



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 New Rates

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair) October 5, 2000
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. On September 28, 2000, Pacific Northern Gas Ltd. ("PNG") filed for approval an application to increase its rates on an interim and final basis, effective October 1, 2000 and January 1, 2001 ("the Application"), pursuant to Sections 91 and 58 of the Utilities Commission Act; and
- B. The Application proposed to increase rates to all customers as a result of liquidity issues caused by the July 1, 2000 Methanex plant shutdown and higher costs of purchasing the natural gas commodity; and
- C. Subsequent to the filing of the Application, on October 4, 2000, PNG advised the Commission that it had reached an agreement in principle with Methanex on a new firm gas transportation service to October 31, 2009. The agreement in principle is subject to certain conditions and has yet to be signed by PNG pending Commission action on PNG's request for approval of interim rates effective October 1, 2000. In view of the agreement in principle, PNG requested certain changes to the interim rates applied for in the Application, effective October 1, 2000; and
- D. PNG has also requested that the Commission hold its review of the Application in abeyance until December 1, 2000, which is the date that PNG and Methanex have fixed for finalizing their agreement and removing the conditions precedent; 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 to all classes of customers, in accordance with the “Summary of Rates Effective October 1, 2000” (attached as Appendix A to this Order), subject to refund with interest at the average prime rate of PNG’s principal bank following a public hearing, for the primary purpose of reducing PNG’s cash flow requirements.
2. PNG is to inform all affected customers of the interim rate increase by way of a customer notice, to be submitted to the Commission in draft form prior to its release.
3. The Commission will accept, subject to timely filing, amended Gas Tariff Rate Schedules in accordance with this Order.
4. A Regulatory Agenda and Timetable for the review of PNG’s Application will be determined by the Commission after December 1, 2000.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of October 2000.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachment

Pacific Northern Gas Ltd.

Summary of Rates Effective October 1, 2000

Revised October 4, 2000

(\$/GJ unless otherwise specified)

Customer Class	July 1, 2000 Applicable Rates	October 1, 2000 Rate Adjustment	October 1, 2000 Applicable Rates
Residential (RS 1)			
Monthly Fixed Charge	\$10.75		\$10.75
<u>Natural Gas</u>			
Delivery Charge	3.216	0.322	3.538
Gas Supply Charge	5.953	0.678	6.631
	9.169	1.000	10.169
<u>Propane</u>			
Delivery Charge	1.311		1.311
Gas Supply Charge	11.600		11.600
	12.911		12.911
Commercial Sales (RS 2)			
Monthly Fixed Charge	\$10.75		\$10.75
Delivery Charge	2.886	0.289	3.175
Gas Supply Charge	5.910	0.711	6.621
	8.796	1.000	9.796
Commercial Transport (RS 3)			
Monthly Fixed Charge	\$125.00		\$125.00
Delivery Charge	2.076	0.208	2.284
Commercial Interruptible (RS 4)			
First 220 GJ or less	\$1,227.58	\$129.36	\$1,356.94
Additional GJ			
Delivery Charge	1.696	0.170	1.866
Gas Supply Charge	3.572	0.418	3.990
	5.268	0.588	5.856
Small Industrial (RS 5)			
First 320 GJ or less	\$1,948.05	\$218.56	\$2,166.61
Additional GJ			
Delivery Charge	1.476	0.148	1.624
Gas Supply Charge	4.569	0.535	5.104
	6.045	0.683	6.728
Seasonal Off-Peak (RS 6)			
<u>Off Peak</u>			
First 220 GJ or less	\$1,482.92	\$154.00	\$1,636.92
Additional GJ			
Delivery Charge	1.742	0.174	1.916
Gas Supply Charge	4.499	0.526	5.025
	6.241	0.700	6.941
<u>Peak</u>			
First 6 GJ or less			
Delivery Charge	2.242	0.174	2.416
Gas Supply Charge	4.499	0.526	5.025
	6.741	0.700	7.441
Additional GJ			
Delivery Charge	5.371	0.174	5.545
Gas Supply Charge	4.499	0.526	5.025
	9.870	0.700	10.570
NGV (RS 7)			
Monthly Fixed Charge	\$10.75		\$10.75
Delivery Charge	1.435	0.144	1.579
Gas Supply Charge	4.186	0.490	4.676
	5.621	0.634	6.255

Pacific Northern Gas Ltd.

**Summary of Rates Effective October 1, 2000
Revised October 4, 2000
(\$/GJ unless otherwise specified)**

Customer	Supp. No.	July 1, 2000 Applicable Rates	October 1, 2000 Rate Adjustment	October 1, 2000 Applicable Rates
<u>Skeena Prince Rupert</u>				
Firm T-Service and IT-Sales/Service Below CD	1, 1A	1.1171	0.1117	1.2288
<u>Thompson Creek Mine</u>				
Firm T-Service and IT-Sales Below CD	2	1.0643	0.1123	1.1766
<u>Eurocan</u>				
Firm T-Service and IT-Sales/Service Below CD	3, 3A	0.9633	0.0963	1.0596
<u>Canfor</u>				
Firm T-Service and IT-Sales Below CD	6	1.0480	0.1123	1.1603
<u>Alcan</u>				
Firm T-Service and IT-Sales/Service Below CD	7, 7A	1.0635	0.1064	1.1699
<u>Methanex</u>				
Firm T-Service and IT-Sales/Service Below CD	16, 16A	0.9420	0.0942	1.0362
Modified Depreciation Rate	17, & 25	-	0.0000	-
Unbooked Deferred Taxes Rate		-	0.0000	-
<u>Plateau Forest</u>				
Firm T-Service and IT-Sales Below CD	18	1.1150	0.1123	1.2273
<u>West Fraser (PIR)</u>				
Firm T-Service and IT-Sales Below CD	19	1.1327	0.1123	1.2450
<u>Skeena Smithers</u>				
Firm T-Service and IT-Sales Below CD	20	1.1868	0.1123	1.2991
<u>Skeena Terrace</u>				
Firm T-Service and IT-Sales Below CD	21	1.1884	0.1123	1.3007
<u>B.C. Hydro</u>				
Monthly Demand Charge	10	\$1,582.80	\$0.00	\$1,582.80
IT Sales		1.1655	0.1166	1.2821
<u>IT Sales/Service Above CD</u>				
Methanex	17	0.3292	0.0329	0.3621
All Others		1.1655	0.1166	1.2821