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BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER G-113-00

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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 )  
P.G. Bradley, Commissioner ) December 7, 2000  
N.F. Nicholls, 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 was subject to certain conditions and had 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; and
- D. PNG requested that the Commission hold its review of the Application in abeyance until December 1, 2000, which is the date that PNG and Methanex had fixed for finalizing their agreement and removing the conditions precedent; and
- E. The Commission reviewed the evidence and found, by Order No. G-94-00, that an interim rate increase was required; and
- F. An application by Skeena Cellulose Inc. ("Skeena"), on November 24, 2000, sought to modify or set aside Commission Order No. G-94-00; and
- G. By letter dated November 29, 2000, the Commission directed PNG to provide to the Commission by December 4, 2000, any information it had with respect to its negotiations with Methanex and the Provincial Government, any amendments it may have to its September 28, 2000 Application, and to provide a response to the Skeena application; and
- H. PNG, in a letter dated December 4, 2000, informed the Commission that the conditions precedent under the PNG/Methanex agreement in principle, dated October 2, 2000, had not been fulfilled but did not address the issues posed in the Skeena application; and

- I. PNG requested in that same letter that the Commission set down a Regulatory Agenda addressing the September 28 Application as filed but with the understanding that PNG will need to make amendments to reflect significant changes and that those changes would be filed with the Commission no later than December 15, 2000; and
- J. By letter of December 6, 2000, the Council of Forest Industries' Natural Gas Committee ("COFI NGC") requested that Order No. G-94-00 be reconsidered and that the interim increase be set aside; and
- K. The Commission expects PNG to file additional amendments to its Application to reflect the outcome of its on-going negotiations with Methanex and the Provincial Government; and
- L. The Commission is still considering the application by Skeena to modify or set aside Order No. G-94-00, and the request by COFI NGC to reconsider and set aside Order No. G-94-00.

**NOW THEREFORE** the Commission orders PNG to comply with the following Regulatory Agenda:

1. PNG shall file updated information and amendments to its September 28, 2000 Revenue Requirements Application by Friday, December 15, 2000, with copies to all interested parties.
2. Intervenors who wish to file Information Requests with PNG, shall do so Wednesday, January 10, 2001.
3. PNG shall respond to all Information Requests by Monday, January 22, 2001.
4. Intervenors who wish to file evidence shall do so by Monday, January 29, 2001.
5. Interested parties who wish to file Information Requests with the Intervenors concerning their filed evidence shall do so by Monday, February 5, 2001.
6. Intervenors shall respond to all Information Requests by Monday, February 12, 2001.
7. Interested parties shall file rebuttal evidence, if any, by Monday, February 19, 2001.
8. The Commission will convene an oral public hearing in Terrace, B.C. on Monday, March 5, 2001. The exact time and location will be announced.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 8<sup>th</sup> day of December 2000.

BY ORDER

*Original signed by:*

Peter Ostergaard  
Chair