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web site: <http://www.bcuc.com>

BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER G-132-01

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

Applications by Pacific Northern Gas Ltd.  
and  
Pacific Northern Gas (N.E.) Ltd.  
(Fort St. John, Dawson Creek, and Tumbler Ridge Divisions)

for Approval to Amend 2002 Rates

**BEFORE:** P. Ostergaard, Chair )  
N.F. Nicholls, Commissioner ) December 13, 2001  
P.G. Bradley, Commissioner )

**O R D E R**

**WHEREAS:**

- A. By Order No. G-127-01 dated November 22, 2001, the Commission directed that Methanex Corporation's ("Methanex") September 28, 2001 application for a load retention rate would be reviewed coincident with Pacific Northern Gas Ltd.'s ("PNG") 2002 Revenue Requirements Application. That Order made PNG's rates to Methanex interim effective October 1, 2001; and
- B. On November 30, 2001, PNG and Pacific Northern Gas (N.E.) Ltd. (Fort St. John, Dawson Creek and Tumbler Ridge Divisions) ["PNG (N.E.)"] filed for approval its 2002 Revenue Requirements Applications ("the Applications") to increase its rates on an interim and final basis, effective January 1, 2002, pursuant to Sections 91 and 58 of the Utilities Commission Act; and
- C. Forecasted changes in gas supply charges for 2001/02 were reflected in the Applications but are separately determined by the Commission; and
- D. The Commission requires that a regulatory process to deal with the Applications be established.

**NOW THEREFORE** the Commission orders as follows:

1. The Commission will hold a Pre-hearing Conference on the Applications in Vancouver on Tuesday, January 8, 2002 commencing at 9:00 a.m. (10:00 a.m. in Dawson Creek) with video conferencing linkages in Terrace and Dawson Creek. The Pre-hearing Conference will address procedural matters which will include, but not be limited to, the following:
  - completeness of the Applications,
  - identification of principal issues,
  - proceedings with regard to the PNG (N.E.) Application,
  - location(s) of the PNG (N.E.) proceedings, and
  - other matters that will enable the proceeding to efficiently cover and review all aspects of the Applications.

2. The PNG Application will be examined in an oral public hearing and the Regulatory Timetable, attached as Appendix A, has been established. The public hearing into the PNG Application will commence on Wednesday, March 6, 2002 in Terrace, B.C. with a priority given for local participation. The public hearing into the PNG Application will resume on Monday, March 11, 2002 in Vancouver, B.C. with a priority given to testimony on capital structure and rate of return on common equity.
3. PNG and PNG (N.E.) will publish, as soon as possible, in display-ad format, the Notice of Pre-hearing Conference, attached as Appendix B, in such appropriate local news publications as may properly provide adequate notice to the public in its service areas.
4. The Application and supporting material will be made available for inspection at public libraries in Prince Rupert, Terrace, Kitimat, Houston, Smithers, Burns Lake, Vanderhoof, Fort St. James, Fort St. John, Dawson Creek, and Tumbler Ridge, at the Head Office of PNG at Suite 950, 1185 West Georgia Street, Vancouver, B.C., V6E 4E6 and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3.
5. PNG and PNG (N.E.) are to provide a copy of this Order, by facsimile if possible, to all Intervenor and Interested Parties registered in the PNG and PNG (N.E.) 2001 Revenue Requirements Applications proceedings, as well as all large industrial customers, as soon as possible.
6. Intervenor and Interested Parties should inform the Commission, in writing, by Friday, January 4, 2002, of their intention to intervene and/or to attend the Pre-hearing Conference.
7. Intervenor intending to apply for participant assistance must submit a budget estimate by Friday, January 11, 2002 consistent with the Commission's Participant Assistance/Cost Award Guidelines. Copies are available upon request or can be downloaded from the Commission's web site at <http://www.bcuc.com/bcuc/paca.html>.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 13<sup>th</sup> day of December 2001.

BY ORDER

*Original signed by:*

Peter Ostergaard  
Chair

Attachment

**PACIFIC NORTHERN GAS LTD.**  
**Application for Approval of 2002 Revenue Requirements**

<b>REGULATORY AGENDA</b>
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<u>Action</u>	<u>Date 2001/2002</u>
Methanex Updates to Load Retention Rate Application, if any	Wednesday, December 19
Registration of Intervenor and Interested Parties	Friday, January 4
Pre-hearing Conference	Tuesday, January 8
Commission Staff Information Requests issued to PNG and Methanex	Friday, January 11
Budget Estimates for Participant Assistance submitted	Friday, January 11
Intervenor Information Requests issued to PNG and Methanex	Wednesday, January 16
PNG and Methanex Responses to Information Requests	Monday, January 28
Intervenor Evidence Filed	Monday, February 4
Information Requests on Intervenor Evidence Issued	Friday, February 8
Intervenor Information Responses	Friday, February 15
Public hearing commences in Terrace	Wednesday, March 6
Public hearing resumes in Vancouver	Monday, March 11



**PACIFIC NORTHERN GAS LTD.  
and  
PACIFIC NORTHERN GAS (N.E.) LTD.  
(FORT ST. JOHN/DAWSON CREEK AND TUMBLER RIDGE DIVISIONS)  
Applications for Approval of 2002 Revenue Requirements**

**NOTICE OF PRE-HEARING CONFERENCE**

**Date:** Tuesday, January 8, 2002  
**Time:** 9:00 a.m. (10:00 a.m. in Dawson Creek)  
**Locations:** Public Works & Government Services Canada  
300 West Georgia Street  
Library Square Tower, 2<sup>nd</sup> Floor, Suite 212  
Vancouver, B.C. V6B 6B4

with video-conferencing links to :

North Coast Regional Correspondence School  
3211 Kenney Street  
Terrace, B.C. V8G 3E9

Ministry of Attorney General-Courts  
1201-103<sup>rd</sup> Avenue  
Dawson Creek, B.C. V1G 4J2

**THE APPLICATIONS**

Pacific Northern Gas Ltd. ("PNG") and Pacific Northern Gas (N.E.) Ltd.- Fort St. John/Dawson Creek and Tumbler Ridge Divisions ["PNG (N.E.)"] have applied to the British Columbia Utilities Commission ("the Commission") for approval to adjust rates, effective January 1, 2002. These Applications seek to recover increased revenue requirements associated with delivering natural gas. The Applications request an increase in the gas delivery charge in residential rates of about 13 to 16 percent and an increase in the gas delivery charge in small commercial rates of about 12 to 16 percent to be effective January 1, 2002. PNG and PNG (N.E.) have also applied for significant cost of gas decreases, which result in a net decrease in rates to sales customers.

**THE REGULATORY PROCESS**

The Commission has scheduled a public hearing for the PNG Application commencing in Terrace, B.C. on Wednesday, March 6, 2002, with a priority given to matters raised by PNG customers in the region. The PNG public hearing will continue in Vancouver on Monday, March 11, 2002, with a priority given to testimony on capital structure and rate of return on common equity.

PNG (N.E.) requests that its Application be dealt with by a Negotiated Settlement Process.

The Commission will hold a Pre-hearing Conference in Vancouver with video-conferencing links in Terrace and Dawson Creek, on Tuesday, January 8, 2002 to discuss procedural matters which will include, but not be limited to, the following:

- completeness of the Applications,
- identification of principal issues,
- proceedings with regard to the PNG (N.E.) Application,
- location(s) of the PNG (N.E.) proceedings,
- other matters that will enable the proceeding to efficiently cover all aspects of the Applications.

## **PUBLIC INSPECTION OF THE DOCUMENTS**

The Applications and supporting material will be made available for inspection at public libraries in Prince Rupert, Terrace, Kitimat, Houston, Smithers, Burns Lake, Vanderhoof, Fort St. James, Fort St. John, Dawson Creek, and Tumbler Ridge, at the Head Office of PNG at Suite 950, 1185 West Georgia Street, Vancouver, B.C., V6E 4E6, and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3.

## **INTERVENTIONS**

Persons who expect to actively participate in either the PNG or PNG (N.E.) proceeding, or both, should register as Intervenor with the Commission, in writing, by Friday, January 4, 2002 and identify the proceeding(s). Intervenor will receive copies of the Application, all correspondence and filed documentation.

Persons not expecting to actively participate, but who have an interest in either the PNG or PNG (N.E.) proceeding, or both, should register as Interested Parties with the Commission, in writing, by Friday, January 4, 2002 and identify the proceeding(s). Interested Parties will receive a copy of the Application's Executive Summary and all Orders issued.

## **PARTICIPANT ASSISTANCE**

Intervenor intending to apply for Participant Assistance must submit a budget estimate consistent with the Commission's Participant Assistance/Cost Award Guidelines. Copies are available upon request or on the Commission's web site: <http://www.bcuc.com/bcuc/paca.html>

## **FURTHER INFORMATION**

For further information, please contact Mr. Robert J. Pellatt, Commission Secretary, or Mr. Barry McKinlay, Manager, Rates and Finance as follows:

Telephone: (604) 660-4700  
Facsimile: (604) 660-1102

E-Mail: [Commission.Secretary@bcuc.com](mailto:Commission.Secretary@bcuc.com)  
Telephone: (B.C. Toll Free) 1-800-663-1385

BY ORDER

*Original signed by:*

Robert J. Pellatt