



IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

Pacific Northern Gas Ltd. and
An Application by Methanex Corporation

BEFORE: P. Ostergaard, Chair)
B.L. Clemenhagen, Commissioner) November 22, 2001
K.L. Hall, Commissioner)
N.F. Nicholls, Commissioner)

O R D E R

WHEREAS:

- A. On December 21, 2000, Methanex Corporation ("Methanex") applied to the Commission for a Load Retention Rate; and
- B. Methanex's December 21, 2000 application was added to the proceedings for the 2001 Revenue Requirements Application of Pacific Northern Gas Ltd. ("PNG"); and
- C. The Commission heard PNG's 2001 Revenue Requirements Application and Methanex's Load Retention Rate application in an Oral Public Hearing that commenced on March 5, 2001 in Terrace and concluded on March 13, 2001 in Vancouver; and
- D. By way of its May 25, 2001 Decision and Order No. G-51-01, the Commission denied Methanex's December 21, 2000 application; and
- E. The May 25, 2001 Decision also indicated that an appropriate load retention rate would be no less than \$0.46/GJ based on a contract commencement date of July 1, 2001, and encouraged PNG and Methanex to negotiate a new rate for Methanex that is beneficial to PNG, Methanex and other customers; and
- F. In an application dated September 28, 2001, Methanex complained to the Commission that negotiations with PNG were not progressing and that it would not be possible to negotiate a long-term load retention rate with PNG without further Commission involvement; and
- G. Methanex requested that the Commission make PNG's rates to Methanex interim and formally order a rate of \$0.46/GJ adjusted for payments made since July 1, 2001; and
- H. PNG provided its comments on Methanex's September 28, 2001 application for a Load Retention Rate in a letter dated October 5, 2001; and
- I. In its submission, PNG noted that it would be filing shortly a Revenue Requirement Application for 2002; and

- J. Methanex commented on PNG's response and reiterated its request in a letter dated November 14, 2001; and
- K. Based on its review of the submissions by Methanex and PNG, the Commission finds that Methanex's September 28, 2001 application for a Load Retention Rate should be reviewed coincident with PNG's 2002 Revenue Requirements Application and that PNG's rates to Methanex should be made interim.

NOW THEREFORE the Commission orders as follows:

1. Methanex's September 28, 2001 application for a Load Retention Rate will be reviewed coincident with PNG's 2002 Revenue Requirements Application.
2. PNG's rates to Methanex are hereby made interim effective October 1, 2001.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of November 2001.

BY ORDER

Original signed by:

Peter Ostergaard
Chair