



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

A Filing by Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd.
First Quarter 2003 Report on Gas Supply Costs and
Application for Approval of Increases to Natural Gas Commodity Rates

BEFORE: P. Ostergaard, Chair)
P.G. Bradley, Commissioner)
R.D. Deane, Commissioner) March 20, 2003
K.L. Hall, Commissioner)
R.H. Hobbs, Commissioner)

O R D E R

WHEREAS:

- A. On March 13, 2003, pursuant to Commission Letter No. L-5-01 and the Guidelines, Pacific Northern Gas Ltd. ("PNG") and Pacific Northern Gas (N.E.) Ltd. ("PNG(N.E.)") filed a joint First Quarter 2003 Report on current and projected Gas Cost Variance Account ("GCVA") balances and future gas acquisition costs and revenues, and other information in support of an application to increase gas commodity charges and to make changes to the GCVA riders as of April 1, 2003. On March 19, 2003, PNG refiled the information and application using more current forward gas prices; and
- B. PNG and PNG (N.E.) requested that increases be made to the Gas Supply Charges and Company Use Gas Charges. PNG and PNG (N.E.) also requested that the GCVA riders for PNG-West be reduced to zero, the GCVA rider for the Granisle propane grid system be set at \$0.50/GJ, the GCVA rider for the Fort St. John/Dawson Creek Division be set at \$0.50/GJ, and the GCVA rider for the Tumbler Ridge Division be set at \$0.60/GJ; and
- C. The Commission has reviewed the filings and other evidence for PNG-West, PNG(N.E.) and Granisle propane rates, including the GCVA balances, and finds that the PNG and PNG(N.E.) application should be approved.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for PNG and PNG (N.E.) the changes to the Gas Supply Charges, Company Use Gas Charges, and GCVA riders as set out in the filing dated March 19, 2003.

2. PNG and PNG(N.E.) are to notify all affected customers of the increases in rates by way of a bill insert or customer notice to be reviewed with Commission staff in advance of its release.
3. The Commission will accept, subject to timely filing by PNG and PNG(N.E.), Gas Tariff Rate Schedules in accordance with the approvals given by this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 31st day of March 2003.

BY ORDER

Original signed by:

Robert H. Hobbs
Commissioner