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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-16-06

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

and

**Recovery of Commission Costs
for the 2005/06 and 2006/07 Fiscal Years**

BEFORE: L.F. Kelsey, Commissioner February 16, 2006
L.A. Boychuk, Commissioner

O R D E R

WHEREAS:

- A. The Commission, by Order No. G-62-05, approved for all Regulated Utilities and the Insurance Corporation of British Columbia a levy rate for the recovery of Commission costs for 2005/06; and
- B. The levy, at the rate of 0.0091666730 per GJ equivalent of energy sold, was based on actual volumes of energy sold by Regulated Utilities during the calendar year 2004; and
- C. On November 23, 2005, Pacific Northern Gas Ltd. ("PNG") advised the Commission that in 2005 its major industrial customer, Methanex Corporation, permanently closed its Kitimat, BC methanol/ammonia plant and it would not be consuming natural gas in 2006; and
- D. PNG requested that the Commission adjust the Fourth Quarter 2005/06 billing of Commission costs to reflect the reduced energy sales from the Methanex plant closure and to adjust the 2006/07 levy for PNG using the Utility's forecast 2006 natural gas deliveries rather than the actual 2005 energy sales that are used to calculate the levy used in billings to other Commission regulated utilities; and
- E. On January 20, 2006, the Commission advised its regulated utilities that the 2005/06 4th Quarter billing of Commission costs would not be required as a result of actual revenues received and expenses incurred by the Commission; and
- F. The Commission has reviewed the PNG application for a reduction in the levy for recovery of Commission costs for 2005/06 and 2006/07 and finds that the change in the methodology for the recovery of costs from PNG should be approved.

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NOW THEREFORE the Commission orders as follows:

1. The Commission approves for PNG a reduction in the calculation of the levy for the January 1 to March 31, 2006 Quarterly billing from \$77,213.18 found in Appendix A Column L of Order No. G-62-05 to \$17,580.75.
2. In the recovery of Commission costs for 2006/07 the Commission accepts PNG's application to use its forecast 2006 gas delivery volumes rather than the 2005 actual volumes that are used in the calculation of the levy rate for other Regulated Utilities.
3. In the recovery of future Commission Costs for PNG, the Commission will take into consideration future industrial pro-forma load enhancements in the calculations of the levy for this Utility.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of February 2006.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner