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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-79-06

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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 (N.E.) Ltd. ["PNG(NE)"]
regarding Natural Gas Commodity Charges effective July 1, 2006
for the Fort St. John/Dawson Creek and Tumbler Ridge Service Areas**

BEFORE: L.F. Kelsey, Commissioner June 22, 2006

O R D E R

WHEREAS:

- A. Commission Order No. G-29-06 approved for the PNG(NE) Fort St. John/Dawson Creek and Tumbler Ridge service areas permanent Gas Supply Cost Recovery Charges and GCVA rate riders for sales service customers effective April 1, 2006; and
- B. On June 14, 2006 PNG(NE) filed its Second Quarter 2006 Report on gas supply costs and Gas Cost Variance Account ("GCVA") balances ("the Report") for Fort St. John/Dawson Creek and Tumbler Ridge based on May 26, 2006 natural gas forward prices. PNG(NE) requests approval of reductions to Gas Supply Cost Recovery Charges for Fort St. John/Dawson Creek and Tumbler Ridge effective July 1, 2006; and
- C. In the Report, PNG(NE) also recommends implementation of a commodity GCVA credit rate rider of \$0.085/GJ for Fort St. John/Dawson Creek based on a three year amortization of the commodity GCVA credit balance and removal of the \$0.350/GJ commodity GCVA credit rate rider for Tumbler Ridge, effective July 1, 2006; and
- D. In the Report, PNG(NE) identifies Company-use gas GCVA credit balances for Fort St. John/Dawson Creek and Tumbler Ridge, and requests approval of Company-use gas GCVA credit rate riders of \$0.076/GJ and \$0.686/GJ respectively that would amortize the credit balances over three years; and
- E. The proposed changes to commodity rates would reduce the annual bill for a typical residential customer in Fort St. John/Dawson Creek by approximately \$92 per year or 6.4 percent, and would reduce the annual bill for a typical residential customer in Tumbler Ridge by approximately \$34 per year or 3 percent; and
- F. In the Report, PNG(NE) recommends that Company-use Gas Cost Recovery Charges be maintained until the charges are changed effective January 1, 2006 upon the Commission's disposition of PNG(NE)'s 2006 revenue requirements application; and

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- G. If the forecast Fort St. John/Dawson Creek commodity GCVA balance at the end of June 2006 is amortized over one year, the commodity GCVA credit rider would increase to \$0.256/GJ and the annual bill for a typical residential customer in Fort St. John/Dawson Creek would be reduced by \$113 or 7.9 percent; and
- F. The Commission concludes that the requested changes to Gas Supply Cost Recovery Charges and GCVA rate riders for Fort St. John/Dawson Creek and Tumbler Ridge customers should be approved, except that the Fort St. John/Dawson Creek commodity GCVA credit balance should be returned to customers over one year.

NOW THEREFORE pursuant to Section 61(4) of the Utilities Commission Act, the Commission approves for the PNG(NE) Fort St. John/Dawson Creek and Tumbler Ridge service areas permanent Gas Supply Cost Recovery Charges and commodity and Company-use gas GCVA rate riders as requested in the Report, except that the Fort St. John/Dawson Creek commodity GCVA credit rate rider will be \$0.256/GJ effective July 1, 2006.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of June 2006.

BY ORDER

Original signed by

L.F. Kelsey
Commissioner