

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-28-06

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

**An Application by Pacific Northern Gas Ltd. ("PNG")
regarding Natural Gas Commodity Charges effective April 1, 2006
for the PNG-West and Granisle Service Areas**

BEFORE: L.F. Kelsey, Commissioner
L.A. Boychuk, Commissioner March 23, 2006

O R D E R

WHEREAS:

- A. Commission Order No. G-134-05 approved for PNG-West and Granisle permanent Gas Supply Cost Recovery Charges for sales service customers effective January 1, 2006; and
- B. On March 9, 2006 PNG filed its First Quarter 2006 Report on gas supply costs and Gas Cost Variance Account ("GCVA") balances ("the Report") for PNG-West and Granisle based on February 22, 2006 natural gas and propane forward prices. PNG requests approval of a \$1.65/GJ reduction to Gas Supply Cost Recovery Charges and no change to the zero GCVA rate rider for PNG-West sales service customers effective April 1, 2006; and
- C. The proposed change to commodity rates would reduce the annual bill for a typical residential customer by \$136 per year or 8.7 percent; and
- D. In the Report, PNG recommends that no change be made to the \$0.254/GJ Company-use credit GCVA rate rider as of April 1, 2006; and
- E. PNG also recommends changes to Company-use gas rates for PNG-West customers; however, the matter of Company-use gas rates will be dealt with in the review of PNG's 2006 Revenue Requirements Application; and

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-28-06

2

- F. In the Report, PNG recommends no changes to the propane commodity rate or GCVA rate rider for Granisle propane customers; and
- G. The Commission concludes that the requested changes to Gas Supply Cost Recovery Charges for PNG-West sales service customers should be approved.

NOW THEREFORE the Commission orders as follows:

1. The Commission, pursuant to Section 61(4) of the Act, approves for PNG permanent Gas Supply Cost Recovery Charges for PNG-West sales service customers as recommended in the Report, effective April 1, 2006.
2. The Commission accepts the recommendation that no changes be made to the GCVA rate riders for PNG-West or to the Propane Supply Cost Recovery Charge or GCVA rate rider for Granisle propane customers as of April 1, 2006.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of March 2006.

BY ORDER

Original signed by

L.F. Kelsey
Commissioner