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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-83-06

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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 Ltd. ("PNG-West", "PNG")  
regarding Natural Gas Commodity Charges effective July 1, 2006  
for the PNG-West and Granisle Service Areas**

**BEFORE:** L.F. Kelsey, Commissioner  
L.A. Boychuk, Commissioner June 22, 2006

**O R D E R**

**WHEREAS:**

- A. Commission Order No. G-28-06 approved for PNG-West permanent Gas Supply Cost Recovery Charges for sales service customers effective April 1, 2006; and
- B. On June 14, 2006 PNG filed its Second Quarter 2006 Report on gas supply costs and Gas Cost Variance Account ("GCVA") balances ("the Report") for PNG-West and Granisle based on May 26, 2006 natural gas and propane forward prices. PNG requests approval of reductions to Gas Supply Cost Recovery Charges and implementation of a commodity GCVA credit rate rider of \$0.214/GJ based on a three year amortization of the commodity GCVA balance for PNG-West sales service customers effective July 1, 2006; and
- C. The proposed change to commodity rates would reduce the annual bill for a typical residential customer by \$28 per year or 2.1 percent; and
- D. In the Report PNG recommends that no change be made to the \$0.254/GJ Company-use gas GCVA credit rate rider as of July 1, 2006; and

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NUMBER** G-83-06

2

- E. In the Report PNG recommends that the Company-use Gas Cost Recovery Charge for PNG-West be maintained until the rate is changed effective January 1, 2006 upon the Commission's disposition of PNG's 2006 revenue requirements application; and
- F. If the forecast PNG-West commodity GCVA balance at the end of June 2006 is amortized over one year, the commodity GCVA credit rider would increase to \$0.642/GJ and the annual bill for a typical residential customer in PNG-West would be reduced by \$63 or 4.5 percent; and
- G. In the Report PNG recommends that the propane Gas Supply Cost Recovery Charge for Granisle propane customers be reduced by \$1.184/GJ to \$16.149/GJ and that the commodity GCVA debit rider be increased by \$1.215/GJ. The annual bill for a typical residential customer in Granisle would increase by \$3 or 0.1 percent; and
- H. The Commission concludes that the requested changes to Gas Supply Cost Recovery Charges and GCVA riders for PNG-West and Granisle customers should be approved, except that the PNG-West 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 PNG permanent Gas Supply Cost Recovery Charges and commodity and Company-use gas GCVA rate riders for PNG-West and Granisle customers as requested in the Report, except that the commodity GCVA credit rider for PNG-West will be \$0.642/GJ effective July 1, 2006, and the total commodity charge for Granisle customers will be maintained as of July 1, 2006.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 4<sup>th</sup> day of July 2006.

BY ORDER

*Original signed by*

L.A. Boychuk  
Commissioner