

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-165-06

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 (N.E.) Ltd. ["PNG(NE)"]
regarding Natural Gas Commodity Charges effective January 1, 2007
for the Fort St. John/Dawson Creek and Tumbler Ridge Service Areas**

BEFORE: L.F. Kelsey, Commissioner December 15, 2006
L.A. Zaozirny, Commissioner

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 Gas Cost Variance Account ("GCVA") rate riders for sales service customers effective April 1, 2006; and
- B. Commission Order G-79-06 approved implementation of a commodity GCVA credit rate rider of \$0.256/GJ for Fort St. John/Dawson Creek, and removal of the \$0.350/GJ commodity GCVA credit rate rider for Tumbler Ridge, effective July 1, 2006; and
- C. On December 5, 2006 PNG(N.E.) filed its Fourth Quarter 2006 Report (the "Report") for Fort St. John/Dawson Creek Division and Tumbler Ridge Division that indicates no changes to current gas commodity rates for core market sales customers for either Division; and
- D. The Report proposes that for the Fort St. John/Dawson Creek Division the current GCVA commodity credit rate rider of 0.256/GJ be maintained as well as the current Company use gas price and UAF volume deferral account GCVA credit rate rider of \$0.076/GJ, and that there be no change to the Company use gas cost rate approved on an interim basis by Commission Order No. G-153-06 pending review of PNG(N.E.)'s 2007 revenue requirements application; and
- E. For the Tumbler Ridge Division, the Report proposes that a GCVA commodity credit rate rider of \$0.427/GJ be implemented, based on a two year amortization of the projected credit balance in the GCVA account. The Report proposes that the Company use gas price and UAF volume deferral account GCVA credit rate rider of \$0.686/GJ be maintained, and that there be no change to the Company use gas cost rate approved on an interim basis by Commission Order No. G-153-06 pending review of PNG(N.E.)'s 2007 revenue requirements application; and

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F. The Commission finds the commodity rates recommended in the Report to be in the public interest.

NOW THEREFORE pursuant to Section 61(4) of the Utilities Commission Act, the Commission approves for the Fort St. John/Dawson Creek Division and the Tumbler Ridge Division effective January 1, 2007, the commodity rates that are recommended in the Report, including a GCVA commodity credit rate rider of \$0.427/GJ for the Tumbler Ridge Division. The commodity rates will be permanent rates effective January 1, 2007 except that the Company use gas cost rates in either Division that were approved on an interim basis by Commission Order No. G-153-06 continues to be interim rates pending review of PNG(N.E.)'s 2007 revenue requirements application.

PNG(NE) is to provide information to all customers affected by the rate changes set out in this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of December 2006.

BY ORDER

Original signed by

L.F. Kelsey
Commissioner