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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-94-06

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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.  
and Pacific Northern Gas (NE) Ltd.  
for Approval of a Deferral Account for Bill 198 Compliance Costs**

**BEFORE:**

L.F. Kelsey, Commissioner  
L.A. Boychuk, Commissioner

August 3, 2006

**O R D E R**

**WHEREAS:**

- A. On July 20, 2006, Pacific Northern Gas Ltd. ("PNG-West") applied to the Commission, pursuant to Section 23 of the Utilities Commission Act (the "Act"), for approval of a deferral account to record Bill 198 compliance costs estimated to be \$100,000 in 2006 and up to \$40,000 in 2007 ("the Application"); and
- B. The Application filed on behalf of PNG-West and Pacific Northern Gas (NE) Ltd. ("PNG(NE)") proposes to amortize the 2006 deferral account balance over three years and the 2007 deferral balance over two years. The deferral account will be established in PNG-West and the balance is to be allocated to PNG-West and PNG(NE) using rate base as the allocator; and
- C. PNG responded to Commission Information Requests on July 25, 2006; and
- D. The Commission has reviewed the Application along with supporting material and finds approval is warranted.

**NOW THEREFORE** pursuant to Section 23(1) of the Act, the Commission orders as follows:

1. The establishment of a deferral account for PNG-West to record Bill 198 Compliance Costs is approved.

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2. The amortization of the 2006 Compliance Cost deferral account balance over three years, the 2007 deferral account balance over two years and the allocation of the deferral account between PNG-West and PNG(NE) using rate base as the allocator is approved.

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

BY ORDER

*Original signed by:*

L.F. Kelsey  
Commissioner