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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-166-06

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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 January 1, 2007
for the PNG-West and Granisle Service Areas**

BEFORE: L.F. Kelsey, Commissioner
L.A. Zaozirny, Commissioner December 15, 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. Commission Order No. G-83-06 approved effective July 1, 2006, that the commodity charges for PNG-West was to be maintained except that the commodity Gas Cost Variance Account ("GCVA") credit rider for PNG-West would increase to \$0.642/GJ and that the total commodity charge for Granisle propane customers was to be maintained for July 1, 2006; and
- C. On December 5, 2006 PNG filed its Fourth Quarter 2006 Report (the "Report") on gas supply costs and GCVA balances for PNG-West and Granisle based on November 21, 2006 natural gas and propane forward prices. For PNG-West, PNG requests no changes to Gas Supply Cost Recovery Charges and the GCVA credit rate rider of \$0.642/GJ, and proposes to retain in place the Company use gas price and Unaccounted for Gas ("UAF") volume deferral account GCVA credit rider of \$0.254/GJ. PNG also requests that there be no change to the Company use gas cost rate approved on an interim basis by the Commission under Order No. G-146-06 and to maintain this rate as interim pending the review of PNG's 2007 revenue requirements application; and

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D. In the Report, for Granisle PNG proposes to maintain the current propane commodity rate of \$17.333/GJ and the GCVA commodity debit rate rider of \$1.00/GJ; and

C. The Commission has reviewed the Report and finds the recommendations in the public interest.

NOW THEREFORE pursuant to Section 61(4) of the Utilities Commission Act, the Commission approves the commodity rates for PNG-West and Granisle that are recommended in the Report effective January 1, 2007, as permanent rates except that the PNG-West Company use gas cost rate is maintained as an interim rate pending the review of PNG's 2007 revenue requirements application.

PNG 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