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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-2-07

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**IN THE MATTER OF  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

**and**

**Application by Pacific Northern Gas Ltd.  
(PNG-West and Granisle)  
for Approval of 2007 Revenue Requirements and Rates**

**BEFORE:** L.A. Zaozirny, Panel Chair and Commissioner  
L.A. O'Hara, Commissioner

January 12, 2007

**O R D E R**

**WHEREAS:**

- A. On October 26, 2006, Pacific Northern Gas Ltd. ("PNG", "PNG-West" and "Granisle") filed for approval its 2007 Revenue Requirements Application ("the Application") to amend its rates for the Delivery Charge, Company Use Gas Cost ("CUGC") (not applicable to Granisle) and Revenue Stabilization Adjustment Mechanism ("RSAM") Rider (not applicable to Granisle) on an interim and permanent basis, effective January 1, 2007, pursuant to Sections 89 and 58 of the Utilities Commission Act ("the Act"); and
- B. PNG forecasts a 2007 revenue deficiency of approximately \$1.415 million before a proposed deferred tax drawdown; and
- C. PNG proposes to increase the rate for the Delivery Charge for all natural gas and Granisle propane service customers, except West Fraser Mills-Kitimat ("West Fraser") who has a contract in place that provides for fixed demand charges over the term of the contract and, therefore, any rate change would not apply to this customer; and
- D. PNG forecasts a reduction in the volume of company use gas for the 2007 test year. As a result, PNG proposes to reduce the rate for CUGC by \$0.057/GJ for all natural gas customers, except West Fraser; and
- E. By Order No. G-146-06 dated November 23, 2006, the Commission approved PNG's request for an interim rate increase and an interim company use cost rate effective January 1, 2007, and required PNG to publish a Notice of Public Hearing Process that requested that Intervenor and Interested Parties register by December 14, 2006 and requested submissions by that date concerning the appropriate regulatory process to review the Application, and that requests for Participant Assistance under Section 118 of the Act be submitted by no later than Friday, January 5, 2007; and

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- F. The Commission has considered the submissions received and has determined that a written regulatory process to deal with the Application should be established.

**NOW THEREFORE** the Commission orders as follows:

1. The Commission establishes a Written Public Hearing process for the review of the Application, and sets down the Regulatory Timetable for the proceeding that is attached as Appendix A.
2. The Application and supporting material will be made available for inspection at public libraries in Prince Rupert, Terrace, Kitimat, Houston, Smithers, Burns Lake, Vanderhoof and Fort St. James, and at the Head Office of PNG at Suite 950, 1185 West Georgia Street, Vancouver, B.C., V6E 4E6 and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 16<sup>th</sup> day of January 2007.

**BY ORDER**

*Original signed by:*

Lori Ann Zaozirny  
Panel Chair and Commissioner

Attachment

**PACIFIC NORTHERN GAS LTD.  
(PNG-West and Granisle)  
Application for Approval of 2007 Revenue Requirements and Rates**

**REGULATORY TIMETABLE**

<b>ACTION</b>	<b>DATE (2007)</b>
Intervenor Information Request No. 1 to PNG and Submissions, if any, concerning the need for an Oral Hearing Process	Tuesday, January 23
Commission Information Request No. 2 to PNG	Wednesday, January 31
PNG Response to Commission and Intervenor Information Requests	Wednesday, February 7
PNG Year-End Update	Thursday, February 22
Intervenor Information Request No. 2 to PNG	March 1, 2007
Commission Information Request No. 3 to PNG	Thursday, March 1
PNG Response to Intervenor and Commission Information Requests	Thursday, March 8
PNG Argument	Thursday, March 15
Intervenor Argument	Thursday, March 22
PNG Reply	Thursday, March 29