



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-48-10**

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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.
regarding Natural Gas Commodity Charges effective April 1, 2010
for the PNG-West and Granisle Service Areas

BEFORE:

L.F. Kelsey, Commissioner
D.A. Cote, Commissioner

March 18, 2010

O R D E R

WHEREAS:

- A. On March 11, 2010, Pacific Northern Gas Ltd. (PNG, PNG-West) filed with the British Columbia Utilities Commission (Commission) its 2010 First Quarter Report on gas supply costs and Gas Cost Variance Account (GCVA) balances for PNG-West and Granisle, based on February 26, 2010 natural gas and propane forward prices and amended the report on March 15, 2010 (as amended the Report); and
- B. The Report forecasts for PNG-West that the ratio of gas commodity cost recoveries at current rates to forecast gas commodity costs over the following 12 months would be 0.986 which is within the established 0.95 to 1.05 dead band range and requests approval to make no changes to the current PNG-West Division gas commodity rates effective April 1, 2010; and
- C. PNG requests approval for the PNG-West Division, to make no changes to the current GCVA commodity credit rate rider of \$0.27/GJ nor to the current Company use GCVA gas cost debit rate rider of \$0.006/GJ, effective April 1, 2010; and
- D. PNG-West requests approval for the PNG-West Division to make no changes to the Company use gas cost delivery rate nor to the Company use gas commodity price used for price deferral accounting purposes; and
- E. The Report forecasts for Granisle that the ratio of propane commodity cost recoveries at current rates to forecast propane commodity costs over the following 12 months would be 0.932; and
- F. PNG requests approval for Granisle to increase the propane commodity rate from \$15.232/GJ to \$17.753/GJ and to implement a GCVA commodity credit rate rider of \$1.413/GJ, effective April 1, 2010; and
- G. The requested change to the Granisle propane commodity rate and the implementation of a GCVA commodity credit rate rider would increase the annual bill of a typical residential customer by \$87 or 4.1 percent; and

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H. The Commission concludes that the rates requested in the Report should be approved effective April 1, 2010.

NOW THEREFORE pursuant to section 61(4) of the *Utilities Commission Act* the Commission orders the following:

1. In the PNG-West Division, the Commission approves making no changes to the gas commodity charges for core market sales customers that were made effective January 1, 2010.
2. In the PNG-West Division, the Commission approves making no changes to the GCVA commodity credit rate rider of \$0.27/GJ nor to the GCVA Company use gas cost debit rate rider of \$0.006/GJ, both of which were made effective January 1, 2010.
3. In the PNG-West Division, the Commission approves making no changes to the Company use gas cost delivery rate nor to the Company use gas commodity price used for price deferral accounting purposes.
4. In Granisle, the Commission approves increasing the propane commodity rate from \$15.232/GJ to \$17.753/GJ and implementing a GCVA commodity credit rate rider of \$1.413/GJ, effective April 1, 2010.
5. PNG-West is to provide a descriptive explanation of the rate changes by way of a Customer Notice for all affected customers, to be submitted to the Commission in draft prior to its release.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of March 2010.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner