



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-186-10**

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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 (N.E.) Ltd.
regarding Natural Gas Commodity Charges effective January 1, 2011
for the Fort St. John/Dawson Creek and Tumbler Ridge Service Areas**

BEFORE: L.F. Kelsey, Commissioner
D.A. Cote, Commissioner
N.E. MacMurchy, Commissioner
D. Morton, Commissioner
December 9, 2010

O R D E R

WHEREAS:

- A. On December 3, 2010, Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] filed with the British Columbia Utilities Commission (Commission) its 2010 Fourth Quarter Report on gas supply costs and Gas Cost Variance Account (GCVA) balances for its Fort St. John/Dawson Creek (FSJ/DC) and Tumbler Ridge Divisions, based on November 23, 2010 natural gas forward prices (the Report);
- B. The Report forecasts for its FSJ/DC Division that the ratio of gas commodity cost recoveries at current rates to forecast gas commodity costs over the following 12 months would be 1.032 which is within the established 0.95 to 1.05 deadband range and requests approval to make no changes effective January 1, 2011 to current gas commodity rates and to the current GCVA commodity credit rate rider;
- C. PNG(N.E.) requests approval effective January 1, 2011 for its RSJ/DC Division to reduce the current Company use GCVA gas cost credit rate rider of \$0.081/GJ to zero;
- D. PNG(N.E.) requests approval for its FSJ/DC Division to reduce the current Company use gas cost delivery rate of \$0.087/GJ to \$0.073/GJ and to reduce the current Company use gas commodity price of \$5.729/GJ used for price deferral accounting purposes to \$4.745/GJ, effective January 1, 2011;
- E. The rate changes proposed in the Report will increase the bill of a typical FSJ/DC Division residential customer by approximately \$7.00 or 0.8 percent;
- F. The Report forecasts for its Tumbler Ridge Division that the ratio of gas commodity cost recoveries at current rates to forecast gas commodity costs over the following 12 months would be 1.074 and requests approval to make no changes effective January 1, 2011 to the current gas commodity rate and to the current GCVA commodity credit rate rider;

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- G. PNG(N.E.) requests approval for its Tumbler Ridge Division to make no change effective January 1, 2011 to the current GCVA Company use gas cost credit rate rider of \$0.318/GJ;
- H. PNG(N.E.) requests approval for its Tumbler Ridge Division to reduce the current Company use gas cost delivery rate of \$0.404/GJ to \$0.289/GJ and to reduce the current Company use gas commodity price of \$4.167/GJ used for price deferral accounting purposes to \$2.968/GJ, effective January 1, 2011;
- I. The rate changes proposed in the Report will reduce the annual bill of a typical Tumbler Ridge residential customer by approximately \$10.00 or 1.5 percent;
- J. The Commission concludes that the rate changes requested in the Report should be approved, effective January 1, 2011.

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

- 1. In the PNG(N.E.) FSJ/DC Division, the Commission approves effective January 1, 2011 making no changes to the current gas commodity charges for core market sales customers.
- 2. In the PNG(N.E.) FSJ/DC Division, the Commission approves effective January 1, 2011 making no change to the current GCVA commodity credit rider of \$0.185/GJ and reducing the GCVA Company use gas cost credit rate rider of \$0.081/GJ to zero.
- 3. In the PNG(N.E.) FSJ/DC Division, the Commission approves effective January 1, 2011 reducing the Company use gas cost delivery rate to \$0.073/GJ and reducing the Company use gas commodity price to \$4.745/GJ for price deferral accounting purposes.
- 4. In the PNG(N.E.) Tumbler Ridge Division, the Commission approves effective January 1, 2011 making no changes to the current gas commodity charge, the current GCVA commodity credit rider of \$1.109/GJ and the current GCVA Company use gas cost credit rider of \$0.318/GJ.
- 5. In the PNG(N.E.) Tumbler Ridge Division, the Commission approves effective January 1, 2011 reducing the Company use gas cost delivery rate to \$0.289/GJ and reducing the Company use gas commodity price to \$2.968/GJ for price deferral accounting purposes.
- 6. PNG(N.E.) 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 form prior to its release.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of December 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner