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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-43-11**

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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.
for Approval of 2010 Unaccounted for Loss Above 1.5 Percent
in respect of the Fort St. John/Dawson Creek Division**

BEFORE: L.F. Kelsey, Commissioner
D.A. Cote, Commissioner
D. Morton, Commissioner
N. E. MacMurchy, Commissioner
C.A. Brown, Commissioner

March 10, 2011

ORDER

WHEREAS:

- A. On January 20, 2010 Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] applied (the Application) to the British Columbia Utilities Commission (Commission) for approval to record in the PNG(N.E.) Fort St. John/Dawson Creek Division (FSJ/DC) Unaccounted for (UAF) Gas volume deferral account the extent to which actual 2010 UAF losses exceeded the 1.5 percent threshold established in the Negotiated Settlement Agreement for the FSJ/DC 2010 Revenue Requirements (NSP 2010);
- B. The NSP 2010 approved under Order G-34-10 stated in section 7.0 that *"the UAF gas volume forecast for Test Year 2010 is set at 1 percent of deliveries UAF loss factor with PNG(N.E.) being permitted to record the variance between one percent and a loss of up to 1.5 percent without having to seek further Commission approval of the deferral."*;
- C. The actual 2010 UAF losses reported by PNG(N.E.) FSJ/DC Division in the Application dated January 20, 2011 amounted to 2.32 percent of total sales and transportation volumes;
- D. The additional loss above 1.5 percent or 0.82 percent amounts to \$203,167 based on the assumed Company Use Gas commodity cost of \$5.729/GJ that applied throughout 2010;

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- E. The Commission has reviewed the Application and subsequent Information Request filings including PNG's annual consultants report, "Review of 2010 Unaccounted for Gas Volumes on the PNG Ltd. and PNG(N.E.) Ltd. Systems", dated February 9, 2011 and finds that approval is warranted.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to the *Utilities Commission Act*, the Commission approves recording in the Pacific Northern Gas (N.E.) Ltd. Fort St. John/Dawson Creek Division UAF gas volume deferral account the actual 2010 unaccounted for gas volume of 2.32 percent.
2. PNG will continue to record monthly UAF deviations and examine abnormally large UAF gains or losses and persistent trends including examination of all metering data, conversion factors, calculation algorithms and physical changes at custody transfer receipt points and to file an updated UAF summary report for the first six months of 2011 prior to the last business day of July 2011.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of March 2011.

BY ORDER

Original signed by:

D. Morton
Commissioner