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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-55-11**

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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.
regarding Natural Gas Commodity Charges effective April 1, 2011
for the Fort St. John/Dawson Creek and Tumbler Ridge Service Areas**

BEFORE: L.F. Kelsey, Commissioner
D.A. Cote, Commissioner
D. Morton, Commissioner March 17, 2011
N. E. MacMurchy, Commissioner
C.A. Brown, Commissioner

O R D E R

WHEREAS:

- A. On March 15, 2011, Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] filed with the British Columbia Utilities Commission (Commission) its 2011 First 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 forecast natural gas prices using the average of 5 consecutive days forward gas price forecasts ending February 22, 2011 (the Report);
- B. The Report forecasts for the 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 1.186 which is outside the established 0.95 to 1.05 dead band range guideline and requests approval to reduce the gas commodity rates, effective April 1, 2011;
- C. PNG(N.E.) requests approval for the FSJ/DC Division to make no change to the current GCVA commodity credit rate rider of \$0.185/GJ and to continue having no Company use GCVA gas cost rate rider;
- D. PNG(N.E.) requests approval for the FSJ/DC Division to make no changes to the current Company use gas cost delivery rate of \$0.073/GJ and the current Company use gas commodity price of \$4.745/GJ used for price deferral accounting purposes;

- E. The rate changes proposed in the Report will reduce the annual bill of a typical FSJ/DC Division residential customer by approximately \$80 or 8.2 percent;
- F. The Report forecasts for the 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 1.459 which is outside the established 0.95 to 1.05 dead band range guideline;
- G. PNG(N.E.) requests approval for the Tumbler Ridge Division to reduce the GCVA commodity credit rate rider from \$1.109/GJ to \$1.097/GJ and to reduce the current Company use GCVA gas cost credit rate rider from \$0.318/GJ to \$0.058/GJ, effective April 1, 2011;
- H. PNG(N.E.) requests approval for the Tumbler Ridge Division to make no changes to the current Company use gas cost delivery rate of \$0.289/GJ and the Company use gas commodity price of \$2.968/GJ used for price deferral accounting purposes;
- I. The rate changes proposed in the Report will reduce the annual bill of a typical Tumbler Ridge Division residential customer by approximately \$27 or 4.5 percent;
- J. The Commission concludes that the rate changes requested in the Report should be approved, effective April 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, decrease the gas commodity charges to \$4.284/GJ, \$4.289/GJ, \$4.295/GJ and \$4.256/GJ for the residential (RS1), small commercial (RS2), large commercial (RS3) and small industrial (RS4) customers, respectively, effective April 1, 2011.
- 2. In the PNG(N.E.) FSJ/DC Division, make no change to the current GCVA commodity credit rate rider of \$0.185/GJ and implement a zero GCVA Company use gas cost rate rider.
- 3. In the PNG(N.E.) Tumbler Ridge Division, decrease the gas commodity rate for core market sales customers from \$2.950/GJ to \$2.359/GJ, effective April 1, 2011.
- 4. In the PNG(N.E.) Tumbler Ridge Division, reduce the current GCVA commodity credit rate rider of \$1.109/GJ to \$1.097/GJ and reduce the current GCVA Company use gas cost credit rate rider of \$0.318/GJ to \$0.058/GJ.

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5. In the PNG(N.E.) FSJ/DC and Tumbler Ridge Divisions, make no changes to the current Company use gas cost deliver rates nor to the current Company use gas commodity prices used 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 17th day of March 2011.

BY ORDER

Original signed by:

D. Morton
Commissioner