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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-85-12

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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 July 1, 2012
for the Fort St. John/Dawson Creek and Tumbler Ridge Service Areas**

BEFORE: L.F. Kelsey, Commissioner
C.A. Brown, Commissioner June 21, 2012
N.E. MacMurchy, Commissioner
D.M. Morton, Commissioner
R.D. Revel, Commissioner

O R D E R

WHEREAS:

- A. On June 7, 2012, Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] filed with the British Columbia Utilities Commission (Commission) the 2012 Second Quarter Report on gas supply costs and Gas Cost Variance Account (GCVA) balances for the 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 May 18, 2012 (the Report);
- B. For the FSJ/DC Division the Report forecasts that the ratio of gas commodity cost recoveries at current rates to forecast gas commodity costs over the following 12 months would be 1.194 which is outside the established 0.95 to 1.05 dead band range, and requests approval for the FSJ/DC Division to decrease gas commodity rates effective July 1, 2012;
- C. PNG(N.E.) requests approval for the FSJ/DC Division to decrease the GCVA commodity credit rate rider from \$0.144/GJ to \$0.053/GJ and to change the Company Use GCVA gas cost debit rate rider from \$0.125/GJ to a credit rate rider of \$0.059/GJ, effective July 1, 2012;
- 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 \$0.057/GJ and the Company Use gas commodity price of \$3.542/GJ used for price deferral accounting purposes;
- E. For the Tumbler Ridge Division the Report forecasts that the ratio of gas commodity cost recoveries at current rates to forecast gas commodity costs over the following 12 months would be 1.356 which is outside the established 0.95 to 1.05 dead band range, and requests approval for the Tumbler Ridge Division to decrease the current gas commodity rate from \$3.106/GJ to \$2.858/GJ, effective July 1, 2012;

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- F. PNG(N.E.) requests approval for the Tumbler Ridge Division to increase the GCVA commodity credit rate rider from \$0.475/GJ to \$0.918/GJ and to reduce the current Company Use GCVA gas cost credit rate rider from \$0.173/GJ to \$0.027/GJ, effective July 1, 2012;
- G. PNG(N.E.) requests approval for the Tumbler Ridge Division to make no changes to the current Company Use gas cost delivery rate of \$0.286/GJ and the Company Use gas commodity price of \$3.106/GJ used for price deferral accounting purposes;
- H. The Commission has reviewed the Report and concludes that the rate changes requested in the Report are warranted.

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 decreasing the gas commodity charges to \$3.028/GJ, \$3.020/GJ, \$3.068/GJ and \$3.065/GJ for the residential (RS1), small commercial (RS2), large commercial firm (RS3) and small industrial sales (RS4) customers, respectively, effective July 1, 2012.
2. In the PNG(N.E.) FSJ/DC Division, the Commission approves decreasing the GCVA commodity credit rate rider from \$0.144/GJ to \$0.053/GJ and changing the Company Use GCVA gas cost debit rate rider from \$0.125/GJ to a credit rate rider of \$0.059/GJ, effective July 1, 2012.
3. In the PNG(N.E.) Tumbler Ridge Division, the Commission approves decreasing the gas commodity rate from \$3.106/GJ to \$2.858/GJ, effective July 1, 2012.
4. In the PNG(N.E.) Tumbler Ridge Division, the Commission approves increasing the GCVA commodity credit rate rider from \$0.475/GJ to \$0.918/GJ and decreasing the current Company Use GCVA gas cost credit rate rider from \$0.173/GJ to \$0.027/GJ, effective July 1, 2012.
5. In the PNG(N.E.) FSJ/DC and Tumbler Ridge Divisions, the Commission accepts that no changes are required to the current Company Use gas cost delivery 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 21st day of June 2012.

BY ORDER

Original signed by:

D.M. Morton
Commissioner