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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-25-12**

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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.
for Approval of 2011 Unaccounted for Loss Above 1.5 Percent
in respect of the Fort St. John/Dawson Creek Division**

BEFORE: L.F. Kelsey, Commissioner
D.M. Morton, Commissioner
R.D. Revel, Commissioner
March 8, 2012

ORDER

WHEREAS:

- A. On February 29, 2012, Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] applied (the Application) to the British Columbia Utilities Commission (Commission) for the 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 2011 UAF losses exceeded the 1.5 percent threshold established in the Negotiated Settlement Agreement for the FSJ/DC 2011 Revenue Requirements (NSP 2011);
- B. The NSP 2011 approved under Order G-93-11 stated in section 12.0 that *"PNG(N.E.) can continue the FSJ/DC UAF gas volume deferral account to record the difference between forecast and actual UAF volumes in the Test Year 2011 based on using a 1 percent of deliveries UAF loss factor for 2011. PNG(N.E.) to apply for Commission approval to record actual 2011 UAF losses in FSJ/DC above 1.5 percent in the deferral account"*;
- C. The actual 2011 UAF losses reported by PNG(N.E.)'s FSJ/DC Division in the Application amounted to 2.45 percent of total sales and transportation volumes;
- D. The additional loss above 1.5 percent, or 0.95 percent, amounts to \$192,519 based on the assumed Company Use Gas commodity cost of \$4.745/GJ that applied throughout 2011;
- E. The Commission has reviewed the Application and finds that approval is warranted.

NOW THEREFORE pursuant to the *Utilities Commission Act*, the Commission orders as follows:

- 1. The Commission approves recording in the PNG(N.E.) FSJ/DC Division UAF gas volume deferral account the actual 2011 UAF for gas volume of 2.45 percent.

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2. PNG(N.E.) 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 2012 prior to the last business day of July 2012.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of March 2012.

BY ORDER

Original signed by:

D.M. Morton
Commissioner