

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-179-13**

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

Pacific Northern Gas (N.E.) Ltd.
Application for Approval of Quintette Mine Winter 2013/2014 Security of Supply Agreement

BEFORE: L.F. Kelsey, Commissioner
C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner October 31, 2013
B.A. Magnan, Commissioner
D.M. Morton, Commissioner

O R D E R

WHEREAS:

- A. On October 7, 2013, Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] filed an application (Application) with the British Columbia Utilities Commission (Commission) under section 39 of the *Utilities Commission Act* (the Act) to enter into the Quintette Mine Winter 2013/2014 Security of Supply Agreement for a three month period over the winter of 2013/2014;
- B. PNG(N.E.) also seeks approval to place the incremental costs and revenues of providing service to Quintette Mine under the 2013/2014 Security of Supply Agreement, as set out in the Application, into a deferral account; and
- C. The Commission has reviewed the Application and finds that the requested approval is warranted.

NOW THEREFORE pursuant to sections 39, 60 and 61 of the *Utilities Commission Act* the Commission orders as follows:

- 1. PNG(N.E.) is approved to enter into the Quintette Mine Winter 2013/2014 Security of Supply Agreement as set out in the Application for the three month period over the winter of 2013/2014.
- 2. PNG(N.E.) is approved to place the incremental costs and revenues related to the Quintette Mine Winter 2013/2014 Security of Supply Agreement into a non-rate base deferral account.
- 3. PNG(N.E.) must apply for recovery of the deferral account as part of its 2014 Revenue Requirements Application. The Commission makes no determination on the cost recovery, the amortization period, or the appropriate carrying cost of the deferred costs at this time.

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4. PNG(N.E.) must file with the Commission monthly reports covering the period that the Quintette Mine Winter 2013/2014 Security of Supply Agreement is in effect. These reports must track, on a daily basis, the following: (i) gas sales to Teck Coal Limited, (ii) gas deliveries to Canadian Natural Resources Limited (CNRL), (iii) total gas deliveries at Tumbler Ridge Division, (iv) CNG supply to Tumbler Ridge, (v) supply obtained from CNRL, and (vi) total supply available from CNRL. Each monthly report must be filed with the Commission within 30 days of the end of the month that is the subject of that report.
5. PNG(N.E.) must inform the Commission immediately of any significant departure in the terms and conditions set forth in the Quintette Security of Supply Agreement.

DATED at the City of Vancouver, in the Province of British Columbia, this 31st day of October 2013.

BY ORDER

Original signed by:

D.M. Morton
Commissioner