



LETTER L-33-14

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VIA EMAIL/MAIL
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June 19, 2014

Ms. Janet P. Kennedy
Vice-President, Regulatory Affairs & Gas Supply
Pacific Northern Gas Ltd.
1185 West Georgia Street
Suite 950
Vancouver, BC V6E 4E6

Dear Ms. Kennedy:

Re: Pacific Northern Gas (N.E.) Ltd.
Second Quarter 2014 Report on Gas Supply Costs
for the PNG(N.E.) Fort St. John/Dawson Creek
and Tumbler Ridge Divisions

On June 5, 2014, Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] filed with the British Columbia Utilities Commission (Commission) its Second Quarter 2014 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 (Report).

The Commission, by Letter L-40-11, set out a guideline trigger mechanism and rate methodology (Guidelines) that have generally been adopted by natural gas and propane utilities including PNG(N.E.).

For the FSJ/DC and Tumbler Ridge Divisions, the Commission notes that Order G-44-14 established the current gas commodity rates, GCVA commodity rate rider, and Company Use GCVA gas cost rate rider. Order G-216-13 established the current Company Use gas cost delivery rate and Company Use gas commodity price used for deferral accounting.

The Commission reviewed the Report with the Guidelines and accepts PNG(N.E.)'s recommendations that no changes are required for the FSJ/DC and Tumbler Ridge Divisions. The rates established under the above noted Orders will remain unchanged, as of July 1, 2014.

Yours truly,

Erica Hamilton

LC/cms