



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-49-10

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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, 2010
for the Fort St. John/Dawson Creek and Tumbler Ridge Service Areas

BEFORE: L.F. Kelsey, Commissioner
D.A. Cote, Commissioner March 18, 2010

O R D E R

WHEREAS:

- A. On March 11, 2010, Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] filed with the British Columbia Utilities Commission (Commission) its 2010 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 February 26, 2010 natural gas forward prices and amended the report on March 15, 2010 (as amended the Report); and
- 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 0.857 which is outside of the established 0.95 to 1.05 dead band range and requests approval to increase the FSJ/DC Division gas commodity rates effective April 1, 2010; and
- C. PNG(N.E.) requests approval for the FSJ/DC Division, to decrease the GCVA commodity credit rate rider from \$0.787/GJ to \$0.185/GJ and to make no change to the Company use GCVA gas cost credit rate rider \$0.081/GJ, effective April 1, 2010; and
- D. PNG(N.E.) requests approval for its FSJ/DC Division to make no changes to the Company use gas cost delivery rate nor to the Company use gas commodity price used for price deferral accounting purposes; and
- E. The requested changes to the gas commodity rates and GCVA commodity credit rate rider would increase the annual bill of a typical FSJ/DC Division residential consumer by \$94 or 9.3 percent; and
- 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 0.765 which is outside of the established 0.95 to 1.05 dead band range; and
- G. PNG(N.E.) requests approval for its Tumbler Ridge Division to decrease the current gas commodity rate from \$4.244/GJ to \$4.23/GJ and to decrease the GCVA commodity credit rate rider from \$1.858/GJ to \$1.109/GJ, effective April 1, 2010; and

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- H. PNG(N.E.) requests approval for its Tumbler Ridge Division to increase the Company use GCVA gas cost credit rate rider from \$0.041/GJ to \$0.318/GJ, effective April 1, 2010; and
- I. PNG(N.E.) requests approval for its Tumbler Ridge Division to make no changes to the Company use gas cost delivery rate nor to the Company use gas commodity price used for price deferral accounting purposes; and
- J. The requested changes to the gas commodity rate and GCVA rate riders would increase the annual bill of a typical Tumbler Ridge Division residential consumer by \$40 or 5.1 percent; and
- K. The Commission concludes that the rate changes requested in the Report should be approved, effective April 1, 2010.

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 increasing the gas commodity charges to \$5.844/GJ, \$5.833/GJ, \$5.748/GJ and \$5.635/GJ for the residential (RS1), small commercial (RS2), large commercial (RS3) and small industrial (RS4) sales customers, respectively, effective April 1, 2010.
2. In the PNG(N.E.) FSJ/DC Division, the Commission approves decreasing the GCVA commodity credit rate rider from \$0.787/GJ to \$0.185/GJ and making no change to the GCVA Company use gas cost credit rate rider of \$0.081/GJ, effective April 1, 2010.
3. In the PNG(N.E.) Tumbler Ridge Division, the Commission approves decreasing the gas commodity charge for core market sales customers from \$4.244/GJ to \$4.23/GJ, effective April 1, 2010.
4. In the PNG(N.E.) Tumbler Ridge Division, the Commission approves decreasing the GCVA commodity credit rate rider from \$1.858/GJ to \$1.109/GJ and increasing the GCVA Company use gas cost credit rate rider from \$0.041/GJ to \$0.318/GJ, effective April 1, 2010.
5. In the PNG(N.E.) FSJ/DC and Tumbler Ridge Divisions, the Commission approves making no changes to the current Company use gas cost delivery rates nor to the 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 prior to its release.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of March 2010.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner