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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-100-08**

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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. ("PNG(N.E.)")  
regarding Natural Gas Commodity Charges effective July 1, 2008  
for the Fort St. John/Dawson Creek and Tumbler Ridge Service Areas

**BEFORE:** L.F. Kelsey, Commissioner June 19, 2008

### **O R D E R**

#### **WHEREAS:**

- A. On June 6, 2008, PNG(N.E.) filed its 2008 Second Quarter Report (the "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 May 28, 2008 natural gas forward prices; and
- B. PNG(N.E.) requests for its FSJ/DC Division increases to gas commodity rates, the implementation of a GCVA commodity debit rate rider, the implementation of a GCVA Company use gas cost credit rate rider, and an increase in the Company use gas cost rate, effective July 1, 2008 that would increase the annual bill of a typical residential consumer in the FSJ/DC Division by \$158 or 11.7 percent; and
- C. PNG(N.E.) requests for its Tumbler Ridge Division an increase to the gas commodity rate, a decrease in the GCVA commodity credit rate rider, the implementation of a GCVA Company use gas cost credit rate rider, and an increase in the Company use gas cost rate, effective July 1, 2008, which would increase the annual bill of a typical residential consumer in the Tumbler Ridge Division by \$244.27 or 25.7 percent; and
- D. A Carbon Tax of \$0.4966/GJ for natural gas is effective July 1, 2008; and
- E. The requested increases in the Company use gas cost charges reflect the impact of the implementation of a carbon tax; and
- F. The Commission concludes that the requested changes to gas commodity rates and the GCVA commodity and Company use gas cost rate riders should be approved; and

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- G. The Commission has considered the magnitude of the requested changes to the Company use gas cost rates for the FSJ/DC and Tumbler Ridge Divisions in relation to the corresponding GCVA balances and the effect such changes would have on Delivery Charges, and concludes that the requested changes to the Company use gas cost rates and the commodity prices for the Company use gas price deferral accounts would not be in the public interest at this time; and
- H. The Commission has concluded that the Carbon Tax payable on Company use gas should be recorded in the Company use gas cost deferral account for future recovery.

**NOW THEREFORE** pursuant to Section 61(4) of the Act the Commission orders the following:

1. In the PNG(N.E.) FSJ/DC Division and the Tumbler Ridge Division, the Commission approves increases in gas commodity charges for core market sales customers to the rates identified under the heading "Proposed Gas Commodity Jul. 1 '08" in Table 5 of the Report, effective July 1, 2008.
2. In the PNG(N.E.) FSJ/DC Division, the Commission approves the implementation of a GCVA commodity debit rate rider of \$0.351/GJ and a GCVA Company use gas cost credit rate rider of \$0.102/GJ, effective July 1, 2008.
3. In the PNG(N.E.) Tumbler Ridge Division, the Commission approves the reduction of the GCVA commodity credit rate rider from \$1.491/GJ to \$0.397/GJ and the implementation of a GCVA Company use gas cost credit rate rider of \$0.178/GJ, effective July 1, 2008.
4. In the PNG(N.E.) FSJ/DC Division and the Tumbler Ridge Division, the Commission denies the request to increase the Company use gas cost rates and the commodity prices for the Company use gas price deferral accounts, effective July 1, 2008 and approves the recording of the Carbon Tax payable on Company use gas in the Company use gas deferral account for future recovery.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 19<sup>th</sup> day of June 2008.

BY ORDER

*Original signed by*

L.F. Kelsey  
Commissioner