



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-144-10**

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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 October 1, 2010
for the Fort St. John/Dawson Creek and Tumbler Ridge Service Areas

BEFORE: D.A. Cote, Commissioner September 16, 2010
A.A. Rhodes, Commissioner

O R D E R

WHEREAS:

- A. On September 2, 2010, Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] filed with the British Columbia Utilities Commission (the Commission) its 2010 Third 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 August 31, 2010 natural gas forward prices (the Report);
- 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 1.175, which is outside the 0.95 to 1.05 dead band range guideline and requests approval to decrease the FSJ/DC Division gas commodity rates effective October 1, 2010;
- C. PNG(N.E.) requests to make no changes effective July 1, 2010 to the current GCVA commodity credit rate rider of \$0.185/GJ and to the current Company use GCVA gas cost credit rate rider of \$0.081/GJ;
- D. PNG(N.E.) requests approval for the FSJ/DC Division to make no changes to the current Company use gas cost delivery rate of \$0.087/GJ and the Company use gas commodity price of \$5.729/GJ used for price deferral accounting purposes;
- E. 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 1.915, which is outside of the 0.95 to 1.05 dead band range guideline;
- F. PNG(N.E.) requests approval for the Tumbler Ridge Division to decrease the current gas commodity rate from \$4.230/GJ to \$2.950/GJ and to make no change to the current GCVA commodity credit rate rider of \$1.109/GJ, effective October 1, 2010;
- G. PNG(N.E.) requests approval for its Tumbler Ridge Division to make no change effective October 1, 2010 to the current Company use GCVA gas cost credit rate rider of \$0.318/GJ;

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- H. PNG(N.E.) requests approval for the Tumbler Ridge Division to make no changes to the current Company use gas cost delivery rate of \$0.404/GJ and the Company use gas commodity price of \$4.167/GJ used for price deferral accounting purposes;
- I. The Commission concludes that the rate changes requested in the Report should be approved, effective October 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 decreasing the gas commodity charges to \$5.020/GJ, \$5.028/GJ, \$4.959/GJ and \$4.869/GJ for the residential (RS1), small commercial (RS2), large commercial (RS3) and small industrial (RS4) customers, respectively, effective October 1, 2010.
- 2. In the PNG(N.E.) FSJ/DC Division, the Commission approves making no changes to the GCVA commodity credit rider of \$0.185/GJ and to the GCVA Company use gas cost credit rate rider of \$0.081/GJ, both of which were made effective January 1, 2010 and reaffirmed as of July 1, 2010.
- 3. In the PNG(N.E.) Tumbler Ridge Division, the Commission approves decreasing the gas commodity rate for core market sales customers from \$4.230/GJ to \$2.950/GJ, effective October 1, 2010.
- 4. In the PNG(N.E.) Tumbler Ridge Division, the Commission approves making no change effective October 1, 2010 to the current Company use GCVA gas cost credit rate rider \$0.318/GJ.
- 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 and 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 form prior to its release.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of September 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner