



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-195-12**

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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 Gas Commodity Charges effective January 1, 2013
for the Fort St. John/Dawson Creek and Tumbler Ridge Service Areas

BEFORE: L.F. Kelsey, Commissioner December 18, 2012

O R D E R

WHEREAS:

- A. On December 6, 2012, Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] filed with the British Columbia Utilities Commission (Commission) its 2012 Fourth 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 forecast natural gas prices using the average of 5 consecutive days forward price forecasts ending November 7, 2012;
- B. On December 12, 2012, PNG(N.E.) filed with the Commission its Amended 2012 Fourth Quarter Report on gas supply costs and GCVA balances for its Fort St. John/Dawson Creek (FSJ/DC) and Tumbler Ridge Divisions, based on forecast natural gas prices using the average of 5 consecutive days forward price forecasts ending December 11, 2012 (the Report);
- C. For the FSJ/DC Division, the Report forecasts that the ratio of gas commodity cost recoveries at current rates to forecast gas commodity costs over the following 12 months would be 0.860 which is outside the established 0.95 to 1.05 dead band range, however, the differences between the October 1, 2012 and indicative January 1, 2013 rates are less than \$0.50/GJ trigger in respect of each customer class and PNG(N.E.) requests no changes to the gas commodity rates for the FSJ/DC Division effective January 1, 2013;
- D. PNG(N.E.) requests approval for the FSJ/DC Division to reduce the current GCVA commodity credit rate rider of \$0.053/GJ to nil and to maintain the current Company use GCVA gas cost credit rate rider of \$0.059/GJ, effective January 1, 2013;

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- E. PNG(N.E.) requests approval for the FSJ/DC Division to decrease the current Company use gas cost delivery rate from \$0.057/GJ to \$0.053/GJ and requests approval to decrease the Company use gas commodity price used for price deferral accounting purposes from \$3.542/GJ to \$3.219/GJ, effective January 1, 2013;
- F. For the Tumbler Ridge Division the Report forecasts that the ratio of gas commodity cost recoveries at current rates to forecast gas commodity costs over the following 12 months would be 0.747 which is outside the established 0.95 to 1.05 dead band range, and requests approval for the Tumbler Ridge Division to increase the current gas commodity rate from \$2.858/GJ to \$3.142/GJ, effective January 1, 2013;
- G. PNG(N.E.) requests approval for the Tumbler Ridge Division to decrease the GCVA commodity credit rate rider from \$0.918/GJ to \$0.546/GJ and to increase the current Company use GCVA gas cost credit rate rider from \$0.027/GJ to \$0.054/GJ, effective January 1, 2013;
- H. PNG(N.E.) requests approval for the Tumbler Ridge Division to decrease the current Company use gas cost delivery rate of \$0.286/GJ to \$0.260/GJ and to increase the Company use gas commodity price of \$3.106/GJ used for price deferral accounting purposes to \$3.142/GJ effective January 1, 2013;
- I. The Commission concludes that the rate changes requested in the Report should be approved, effective January 1, 2013.

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 maintaining the current gas commodity charges for core market sales customers.
- 2. In the PNG(N.E.) FSJ/DC Division, the Commission approves reducing the current GCVA commodity credit rate of \$0.053/GJ to nil and to maintain the current Company use GCVA gas cost credit rate rider of \$0.059/GJ.
- 3. In the PNG(N.E.) FSJ/DC Division, the Commission approves decreasing the Company use gas cost delivery rate from \$0.057/GJ to \$0.053/GJ and decreasing the Company use gas commodity price used for price deferral accounting purposes from \$3.542/GJ to \$3.219/GJ effective January 1, 2013.
- 4. In the PNG(N.E.) Tumbler Ridge Division, the Commission approves increasing the gas commodity rate from \$2.858/GJ to \$3.142/GJ, effective January 1, 2013.
- 5. In the PNG(N.E.) Tumbler Ridge Division, the Commission approves decreasing the GCVA commodity credit rate rider from \$0.918/GJ to \$0.546/GJ and increasing the current Company use GCVA gas cost credit rate rider from \$0.027/GJ to \$0.546/GJ, effective January 1, 2013.

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6. In the PNG(N.E.) FSJ/DC and Tumbler Ridge Divisions, the Commission approves decreasing the Company use gas cost delivery rate from \$0.286/GJ to \$0.260/GJ and increasing the Company use gas commodity price used for price deferral accounting purposes from \$3.106/GJ to \$3.142/GJ.
7. 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 18th day of December 2012.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner