

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-212-11**

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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 January 1, 2012  
for the Fort St. John/Dawson Creek and Tumbler Ridge Service Areas

**BEFORE:** L.F. Kelsey, Commissioner  
N.E. MacMurchy, Commissioner December 8, 2011  
D. Morton, Commissioner  
R.D. Revel, Commissioner

**O R D E R**

**WHEREAS:**

- A. On December 5, 2011 Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] filed with the British Columbia Utilities Commission (Commission) its 2011 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 five consecutive days forward price forecasts ending November 25, 2011 (the Report);
- B. The Report forecasts for its 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 1.153 which is outside the established 0.95 to 1.05 dead band range, and requests approval to reduce current gas commodity rates effective January 1, 2012;
- C. PNG(N.E.) requests approval effective January 1, 2012 for its FSJ/DC Division to reduce the current GCVA commodity credit rate rider of \$0.185/GJ to \$0.144/GJ;
- D. PNG(N.E.) requests approval effective January 1, 2012 for its FSJ/DC Division to implement a Company use GCVA gas cost debit rate rider of \$0.125/GJ;
- E. PNG(N.E.) requests approval for its FSJ/DC Division to reduce the current Company use gas cost delivery rate of \$0.073/GJ to \$0.057/GJ and to reduce the current Company use gas commodity price of \$4.745/GJ used for price deferral accounting purposes to \$3.542/GJ, effective January 1, 2012; and

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- F. The Report forecasts for its 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 0.610 and requests approval to increase the current gas commodity rate, effective January 1, 2012;
- G. PNG(N.E.) requests approval effective January 1, 2012 for its Tumbler Ridge Division to reduce the current GCVA commodity credit rate rider of \$0.942/GJ to \$0.475/GJ;
- H. PNG(N.E.) requests approval for its Tumbler Ridge Division to increase the current GCVA Company use gas cost credit rate rider of \$0.058/GJ to \$0.173/GJ, effective January 1, 2012;
- I. PNG(N.E.) requests approval for its Tumbler Ridge Division to reduce the current Company use gas cost delivery rate of \$0.289/GJ to \$0.286/GJ and to increase the current Company use gas commodity price of \$2.968/GJ used for price deferral accounting purposes to \$3.106/GJ, effective January 1, 2012;
- J. The Commission concludes that the rate changes requested in the Report should be approved, effective January 1, 2012.

**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 \$3.720/GJ, \$3.722/GJ, \$3.640/GJ and \$3.549/GJ for the residential (RS1), small commercial (RS2), large commercial (RS3) and small industrial (RS4) customers, respectively, effective January 1, 2012.
2. In the PNG(N.E.) FSJ/DC Division, the Commission approves effective January 1, 2012 reducing the GCVA commodity credit rider to \$0.144/GJ and implementing a GCVA Company use gas cost debit rate rider of \$0.125/GJ.
3. In the PNG(N.E.) FSJ/DC Division, the Commission approves effective January 1, 2012 reducing the Company use gas cost delivery rate to \$0.057/GJ and reducing the Company use gas commodity price to \$3.542/GJ for price deferral accounting purposes.
4. In the PNG(N.E.) Tumbler Ridge Division, the Commission approves increasing the gas commodity charge to \$3.106/GJ, effective January 1, 2012.

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5. In the PNG(N.E.) Tumbler Ridge Division, the Commission approves effective January 1, 2012 decreasing the GCVA commodity credit rider to \$0.475/GJ and increasing the GCVA Company use gas cost credit rider to \$0.173/GJ.
6. In the PNG(N.E.)Tumbler Ridge Division, the Commission approves effective January 1, 2012 reducing the Company use gas cost delivery rate to \$0.286/GJ and increasing the Company use gas commodity price to \$3.106/GJ for price deferral accounting purposes.
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 12th day of December 2011.

BY ORDER

*Original signed by:*

L. F. Kelsey  
Commissioner