



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-24-12**

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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 Ltd.
for Approval of 2011 Unaccounted for Loss Above 1.0 Percent**

BEFORE: L.F. Kelsey, Commissioner
D.M. Morton, Commissioner
R.D. Revel, Commissioner
March 8, 2012

O R D E R

WHEREAS:

- A. On February 16, 2012, Pacific Northern Gas Ltd. (PNG) applied (the Application) to the British Columbia Utilities Commission (Commission) for the approval to record in the PNG-West Unaccounted for (UAF) Gas volume deferral account the extent to which actual 2011 UAF losses exceeded the 1.0 percent threshold established in the Negotiated Settlement Agreement for the PNG-West 2011 Revenue Requirements (NSP 2011);
- B. The NSP 2011 approved under Order G-92-11, stated in section 20.0 that *"the unaccounted for gas volume forecast for Test Year 2011 is set to zero with PNG recording the variance between zero percent and a loss of up to 1.0 percent in the UAF volume deferral account, without having to seek further Commission approval of the deferral;"*
- C. The actual 2011 UAF losses reported by PNG-West in the Application amounted to 2.26 percent of total sales and transportation volumes;
- D. The additional loss above 1.0 percent or 1.26 percent amounts to \$248,360 based on the assumed Company Use Gas commodity cost of \$4.770/GJ that applied throughout 2011;
- E. The Commission has reviewed the Application and finds that approval is warranted.

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NOW THEREFORE the Commission orders as follows:

1. Pursuant to the *Utilities Commission Act*, the Commission approves recording in the Pacific Northern Gas UAF gas volume deferral account the actual 2011 UAF gas volume of 2.26 percent.
2. PNG will continue to record monthly UAF deviations and examine abnormally large UAF gains or losses and persistent trends including examination of all metering data, conversion factors, calculation algorithms and physical changes at custody transfer receipt points, and to file an updated UAF summary report for the first six months of 2012, prior to the last business day of July 2012.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of March 2012.

BY ORDER

Original signed by:

D.M. Morton
Commissioner