

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-50-08

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102



**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**An Application by Pacific Northern Gas Ltd. (“PNG”)
regarding Natural Gas Commodity Charges effective April 1, 2008
for the PNG-West and Granisle Service Areas**

BEFORE: L.F. Kelsey, Commissioner March 19, 2008
P.E. Vivian, Commissioner

O R D E R

WHEREAS:

- A. On March 13, 2008, PNG filed its 2008 First Quarter Report (the “Report”) on gas supply costs and Gas Cost Variance Account (“GCVA”) balances for PNG-West and Granisle, based on February 27, 2008 natural gas and propane forward prices; and
- B. PNG requests for the PNG-West Division approval of increases to Gas Commodity rates and Company use gas cost charges effective April 1, 2008 that would, for example, increase the annual bill of a typical residential consumer by \$85 or 6.6 percent; and
- C. PNG requests that the Granisle Propane Division’s current propane commodity rate of \$17.333/GJ increase to \$20.280/GJ and the current GCVA commodity debit rate rider of \$1.00/GJ increase to \$2.00/GJ, effective April 1, 2008. These rate increases would increase the annual bill of a typical residential customer in Granisle by \$324 or 16.5 percent; and
- D. The Commission concludes that the requested changes to Gas Supply Charges and the GCVA commodity rate rider for PNG-West and to the Gas Supply Charges for Granisle should be approved; and
- E. The Commission has considered the impact of the requested increase to the Granisle GCVA rate rider on customers in relation to the forecast balance in the GCVA, and concludes that an increase to the Granisle GCVA rider at this time would not be in the public interest.
- F. The Commission has considered the magnitude of the requested change to the Company use gas cost rate for PNG-West in relation to the corresponding GCVA balance and the effect such a change would have on PNG-West Delivery Charges, and concludes that the requested changes to the Company use gas cost rate and the commodity price for the Company use gas price deferral account would not be in the public interest at this time.

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NOW THEREFORE pursuant to Section 61(4) of the Act the Commission orders effective April 1, 2008 the following:

1. In the PNG-West Division, the Commission approves increases in Gas Supply Charges for core market sales customers to the rates identified under the heading "Proposed Gas Commodity Apr. 1 '08" in Table 5 of the Report, effective April 1, 2008.
2. In the PNG-West Division, the Commission approves a change in the GCVA commodity rate rider from a credit rider of \$0.642/GJ to a debit rider of \$0.200/GJ, effective April 1, 2008.
3. In Granisle, the Commission approves an increase in the propane Gas Supply Charge from \$17.333/GJ to \$20.280/GJ, effective April 1, 2008.
4. In the PNG-West Division, the Commission denies the request to increase the Company use gas cost rate and the commodity price for the Company use gas price deferral account, effective April 1, 2008.
5. In Granisle, the Commission denies the request to increase the GCVA commodity debit rate rider, effective April 1, 2008.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of March 2008.

BY ORDER

Original signed by

L.F. Kelsey
Commissioner