



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-50-09

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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.
Regarding the Provision of Natural Gas Service
in the Tomslake Area

BEFORE: L.F. Kelsey, Commissioner May 7, 2009
D.A. Cote, Commissioner

O R D E R

WHEREAS:

- A. On March 26, 2009, Pacific Northern Gas Ltd. ("PNG") filed with the British Columbia Utilities Commission (the "Commission") a copy of a Transaction Confirmation dated December 8, 2008 (the "Transaction Confirmation") which provided the terms and conditions under which EnCana Gas Marketing ("EnCana") has agreed to supply gas to PNG for redelivery to the residents of Tomslake, B.C.; and
- B. In the March 26, 2009 filing, PNG also made an application (the "Application") for approval to implement a \$12 per month fixed fee charge to be applied to Tomslake customers that choose the option to pay a monthly fixed fee instead of a up-front lump sum contribution to obtain gas service from a new gas distribution system to be installed by Pacific Northern Gas (N.E.) Ltd. ("PNG (N.E.)") Dawson Creek; and
- C. PNG submitted in the Application that it expects the number of Tomslake customers that would choose to convert to gas service would be greatly enhanced if the potential Tomslake customers were provided with the option of paying a \$12 monthly fixed fee instead of a \$1,752 one time lump sum contribution; and
- D. PNG estimates that the new Tomslake distribution system will cost \$2,636,516, and that contributions from the Peace River Regional District and EnCana will reduce the net cost to \$1,486,516; and
- E. On April 23, 2009, PNG responded to a Commission Information Request; and

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F. The Commission has considered the information filed by PNG and in recognition of the size of the investment required at Tomslake in relation to the rate base of PNG (N.E.) as well as uncertainty about the cost of the system and the amount of customer load that will be realized, has determined that PNG must to apply for a Certificate of Public Convenience and Necessity ("CPCN") for this extension of its system

NOW THEREFORE pursuant to sections 45(5) and 46 of the *Utilities Commission Act* (the "UCA") the Commission orders the following:

1. The Commission orders that subsection 45(2) of the UCA does not apply in respect of the construction and operation of the Tomslake gas distribution system.
2. When PNG files a CPCN application for the Tomslake gas distribution system, it will include detailed information about the design and costs estimate for the system, as well as the customers who have committed to take service from PNG (N.E.) and their gas demand.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of May 2009.

BY ORDER

Original signed by:

D.A. Cote
Commissioner