



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-99-08

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 July 1, 2008  
for the PNG-West and Granisle Service Areas

**BEFORE:** L.F. Kelsey, Commissioner June 19, 2008

**O R D E R**

**WHEREAS:**

- A. On June 6, 2008, PNG filed its 2008 Second Quarter Report (the "Report") on gas supply costs and Gas Cost Variance Account ("GCVA") balances for PNG-West and Granisle, based on May 28, 2008 natural gas and propane forward prices; and
- B. PNG requests for the PNG-West Division approval of increases to gas commodity rates, a decrease in the GCVA commodity debit rate rider, the implementation of a GCVA Company use gas cost debit rate rider, and an increase in the Company use gas cost rate, effective July 1, 2008 which would increase the annual bill of a typical residential consumer by \$72 or 5.2 percent; and
- C. The requested increase in the Company use gas cost charge reflects the impact of the implementation of a Carbon Tax.
- D. The Carbon Tax is \$0.4966/GJ for natural gas and \$0.5978/GJ for propane effective July 1, 2008; and
- E. PNG requests that the Granisle Propane Division's current propane commodity rate of \$20.280/GJ increase to \$22.268/GJ and the current GCVA commodity debit rate rider of \$1.00/GJ increase to \$2.314/GJ, effective July 1, 2008. These rate increases would increase the annual bill of a typical residential customer in Granisle by \$271 or 12.3 percent; and
- F. The Commission concludes that the requested changes to the gas and propane commodity rates and the GCVA commodity and Company use gas cost rate riders for PNG-West and for Granisle should be approved; and

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- G. 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; and
- H. The Commission has concluded that the Carbon Tax payable on Company use gas should be recorded in the Company use gas cost deferral account for future recovery.

**NOW THEREFORE** pursuant to Section 61(4) of the Act the Commission orders the following:

1. The Commission approves increases in gas commodity charges for core market sales customers to the rates identified under the heading "Proposed Gas Commodity Jul. 1 '08" in Table 5 of the Report, effective July 1, 2008.
2. In the PNG-West Division, the Commission approves a change in the GCVA commodity rate rider from a debit rate rider of \$0.20/GJ to a debit rate rider of \$0.049/GJ, effective July 1, 2008.
3. In the PNG-West Division, the Commission approves the implementation of a GCVA Company use gas cost debit rate rider of \$0.050/GJ, effective July 1, 2008.
4. In Granisle, the Commission approves an increase in the propane gas commodity charge from \$20.280/GJ to \$22.268/GJ, effective July 1, 2008.
5. In Granisle, the Commission approves an increase in the GCVA commodity debit rate rider from \$1.00/GJ to \$2.314/GJ, effective July 1, 2008.
6. 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 July 1, 2008 and approves the recording of the Carbon Tax payable on Company use gas in the Company use gas deferral account for future recovery.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 19<sup>th</sup> day of June 2008.

BY ORDER

*Original signed by*

L.F. Kelsey  
Commissioner