



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-109-09

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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 Natural Gas Commodity Charges effective October 1, 2009  
for the PNG-West and Granisle Service Areas

**BEFORE:** L.F. Kelsey, Commissioner  
P.E. Vivian, Commissioner September 17, 2009

**O R D E R**

**WHEREAS:**

- A. On September 10, 2009, Pacific Northern Gas Ltd. ("PNG", "PNG-West") filed with the British Columbia Utilities Commission ("Commission") its 2009 Third Quarter Report on gas supply costs and Gas Cost Variance Account ("GCVA") balances for PNG-West and Granisle, based on August 24, 2009 natural gas and propane forward prices (the "Report"); and
- B. The Report forecasts for PNG-West that the ratio of gas commodity cost recoveries at current rates to forecast gas commodity costs over the following 12 months would be 1.159 and requests approval to decrease PNG-West Division gas commodity rates effective October 1, 2009; and
- C. PNG requests approval for the PNG-West Division, to decrease the GCVA commodity credit rate rider to \$0.27/GJ effective October 1, 2009; and
- D. PNG-West requests approval for the PNG-West Division to make no changes to the current Company use GCVA gas cost debit rate rider of \$0.006/GJ, Company use gas cost delivery rate of \$0.151/GJ and Company use gas commodity price of \$6.49/GJ for price deferral accounting purposes, effective October 1, 2009; and
- E. The requested changes to the gas commodity rates and GCVA commodity credit rate rider would decrease the annual bill of a typical residential consumer by \$57 or 4.7 percent; and
- F. The Report forecasts for Granisle that the ratio of propane commodity cost recoveries at current rates to forecast propane commodity costs over the following 12 months would be 1.245; and
- G. PNG requests approval for Granisle to retain the current propane commodity rate of \$15.232/GJ and to remove the current GCVA commodity debit rate rider of \$3.085/GJ and to not implement a new rate rider effective October 1, 2009; and

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- H. The requested removal of the Granisle GCVA debit rate rider would decrease the annual bill of a typical residential consumer by \$245 or 12.6 percent; and
- I. The Commission concludes that the rates requested in the Report should be approved, effective October 1, 2009.

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

1. In the PNG-West Division, the Commission approves decreases in the gas commodity charges for core market sales customers to the rates identified under the heading "Proposed Gas Commodity Oct. 1'09" in Table 5 of the Report, effective October 1, 2009
2. In the PNG-West Division, the Commission approves a GCVA commodity credit rider of \$0.27/GJ, effective October 1, 2009.
3. In the PNG-West Division, the Commission approves making no changes to the current GCVA Company use gas cost debit rate rider of \$0.006/GJ, the Company use gas cost delivery rate of \$0.151/GJ and the Company use gas commodity price of \$6.49/GJ for price deferral accounting purposes.
4. In Granisle, the Commission approves retaining the current propane commodity rate of \$15.232/GJ and removing the current GCVA commodity debit rate rider of \$3.085/GJ, effective October 1, 2009 and to not implement a new rate rider.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 17<sup>th</sup> day of September 2009.

BY ORDER

*Original signed by:*

L.F. Kelsey  
Commissioner