



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-124-13**

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

and

**Pacific Northern Gas (N.E.) Ltd.
an Application for Approval of the Industrial Firm Transportation Service Agreement
with Air Liquide Canada Inc. and the Proposed RS5 Industrial Transportation Service Tariff
for the Dawson Creek Division**

BEFORE: D.M. Morton, Commissioner
C.A. Brown, Commissioner August 15, 2013
N.E. MacMurchy, Commissioner
B.A. Magnan, Commissioner

O R D E R

WHEREAS:

- A. During 2012, Air Liquide Canada Inc. (Air Liquide) made a request to Pacific Northern Gas (N.E.) Ltd. [PNG (N.E.)] for natural gas service to the Air Separation Unit in Dawson Creek in order to generate electricity for use in the manufacturing of liquid nitrogen. The service request is for 1,728 GJ per day or 631,000 GJ per year, for a period of two years. On October 9, 2012, PNG (N.E.) and Air Liquide signed the Industrial Firm Transportation Service Agreement (TSA) reflecting the agreed upon terms and conditions of service;
- B. On June 14, 2013, PNG (N.E.) applied to the British Columbia Utilities Commission (Commission) for approval under sections 59 to 61 of the *Utilities Commission Act* (Act) of the TSA and the proposed new RS5 Industrial Transportation Service Tariff (RS5 Tariff) for the Dawson Creek Division (Application). The Application also requests approval of minor revisions to the General Terms and Conditions for Industrial Firm Transportation Service;
- C. Commission staff issued one round of Information Requests to PNG (N.E.) on the Application and PNG (N.E.) responded on July 30, 2013;
- D. Under the terms of the TSA, PNG (N.E.)'s service to Air Liquide is to commence on the later of June 1, 2013, and the completion by PNG (N.E.) of the facilities required for the delivery of gas to Air Liquide, which completion shall not occur later than September 1, 2013. PNG (N.E.) submits that the estimated completion

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date of the required facilities is September 30, 2013 and, accordingly, the TSA will likely be amended to reflect this completion date;

- E. Under the terms of the TSA and the proposed RS5 Tariff, a monthly fixed charge ensures the recovery of tolls from Air Liquide on a minimum gas requirement of 631,000 GJ per contract year over the two-year duration of the TSA;
- F. PNG (N.E.) proposes for the RS5 Tariff the exact same delivery rate as the existing RS4 Small Industrial Sales Tariff for the Dawson Creek Division on the basis that using the same delivery rate for both industrial gas sales and industrial gas transportation customers is fair, reasonable and non-discriminatory;
- G. The Commission reviewed the Application and determines that the terms of the TSA with Air Liquide, the proposed RS5 Tariff and the minor amendments to the General Terms and Conditions for Industrial Firm Transportation Service are not unjust, unreasonable, unduly discriminatory or unduly preferential.

NOW THEREFORE pursuant to sections 59 to 61 of the *Utilities Commission Act*, the Commission orders as follows:

1. The Industrial Firm Transportation Service Agreement between Pacific Northern Gas (N.E.) Ltd. and Air Liquide Canada Inc. is approved. Pacific Northern Gas (N.E.) Ltd. must file any amendments to the Industrial Firm Transportation Service Agreement related to the completion date of the required facilities with the Commission for approval.
2. The proposed RS5 Industrial Transportation Service Tariff for the Dawson Creek Division is approved.
3. Pacific Northern Gas (N.E.) Ltd. must file the RS5 Industrial Transportation Service Tariff Rate Schedules in accordance with the terms of this Order within 30 days.
4. The amendments to the General Terms and Conditions for Industrial Firm Transportation Service are approved.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of August 2013.

BY ORDER

Original signed by:

D.M. Morton
Commissioner