

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3
CANADA



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-59-95

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

AN ORDER IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

An Application by Pacific Northern Gas Ltd./Pacific Northern Gas (N.E.) Ltd.
for Approval of Cost of Service Allocation/Rate Design and Integrated Resource Planning

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) July 7, 1995

O R D E R

WHEREAS:

- A. On December 2, 1994 Pacific Northern Gas Ltd. ("PNG") and Pacific Northern Gas (N.E.) Ltd. ["PNG(N.E.)"] jointly applied to the Commission, pursuant to Sections 64 and 106 of the Utilities Commission Act, for approval to amend their Gas Tariff Rate Schedules on an interim and permanent basis effective January 1, 1995 ("the Application"); and
- B. The Commission reviewed the Application, approved an interim increase for PNG and PNG(N.E.) at Dawson Creek, an interim decrease for PNG(N.E.) at Tumbler Ridge and issued Order No. G-97-94 and Notice of Public Hearing. Following a pre-hearing conference and the use of an Alternative Dispute Resolution ("ADR") process, the Commission, by Order No. G-32-95, approved PNG's and PNG(N.E.)'s 1995 Revenue Requirements and indicated that its review of PNG's Rate Design and Integrated Resource Planning would proceed as previously directed by Order No. G-16-95; and
- C. On July 6, 1995 the Commission approved the PNG Integrated Resource Plan and issued Letter No. L-32-95; and
- D. On July 6, 1995 PNG filed its initial Cost of Service Allocation/Rate Design Study ("the Application") including its response to Methanex's Information Request #2 and indicated that final cost of service studies and evidence in support of the Application would be filed by August 1, 1995; and
- E. The Application and cost of service allocations indicate that residential rates for PNG (West) and Tumbler Ridge should increase by approximately 5 percent and rates to large industrial customers might decline marginally due to an existing imbalance in revenue to cost ratios; and
- F. The Commission has reviewed the Application and finds that a public hearing is necessary and in the public interest.

NOW THEREFORE the Commission orders the following with respect to the PNG and PNG (N.E.) Application:

1. The Application is set down for public hearing to commence at 9:00 a.m., Monday, September 25, 1995 at a location to be announced.

BRITISH COLUMBIA
UTILITIES COMMISSIONORDER
NUMBER G-59-95

2. PNG will arrange for publication of the Notice of Public Hearing in the form attached, in a display-ad format, in the business section of one issue each of the Vancouver Sun and The Province newspapers, and in appropriate local community newspaper publications so as to provide adequate notice to the public in its service area.
3. The Application and supporting material will be available for inspection at the PNG//PNG(N.E.) head office, at all District offices located throughout its service area, and at the B.C. Utilities Commission office 6th Floor - 900 Howe Street, Vancouver, B.C.
4. PNG will distribute a copy of the Application and supporting documentation to all intervenors, and an Executive Summary to interested parties as they become registered with the Commission.
5. PNG is to file with the Commission any additional prepared testimony and supplemental material upon which it intends to rely, not later than August 1, 1995.
6. Intervenors and Interested Parties intending to be present and participate in the public hearing should give written Notice to the Commission Secretary and to the Applicant, to be received no later than August 4, 1995. Such Notice should state the nature of the interest in the proceeding.
7. All parties intending to apply for Participant Funding should file a budget consistent with the Commission's Guidelines outlined in Order No. G-117-93, by August 11, 1995.
8. Intervenors and Interested Parties intending to make initial requests for additional information from the Applicant, may do so by July 21, 1995. Information Requests made by July 21, 1995 shall be responded to by PNG on or before July 28, 1995. Other information requests shall be responded to with reasonable speed.
9. On August 24, 1995 PNG is to hold a public Workshop to explain the application and answer questions of intervenors and interested parties. All registered intervenors and interested parties will be advised of the time and location of the Workshop.
10. Intervenors intending to file written evidence pertaining to the Application must do so with the Commission and the Applicant by September 1, 1995.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of July, 1995.

BY ORDER



Lorna R. Barr
Deputy Chairperson

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3
CANADA



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

**PACIFIC NORTHERN GAS LTD./PACIFIC NORTHERN GAS (N.E.) LTD.
APPROVAL OF COST OF SERVICE ALLOCATION/RATE DESIGN
AND INTEGRATED RESOURCE PLANNING**

NOTICE OF PUBLIC HEARING

PUBLIC WORKSHOP:

Time: 8:30 a.m.
Date: Thursday, August 24, 1995
Location: To be announced at a future date.

PUBLIC HEARING:

9:00 a.m.
Monday, September 25, 1995

THE APPLICATION

On July 6, 1995 PNG/PNG(NE) filed its 1995 Cost of Service Allocation/Rate Design for its entire service area. The Application has indicated that residential rates for PNG West and Tumbler Ridge will rise by approximately 5 percent and rates to large industrial customers might decline marginally due to an imbalance in the revenue to cost ratio. The Commission has set the matter down for public hearing to commence September 25, 1995. An Executive Summary, which provides additional details in support of the Application is available, free of charge, by contacting PNG offices or the B.C. Utilities Commission Information Services Group.

THE PUBLIC HEARING AND WORKSHOP

As noted above, the public hearing into the Application will commence at 9:00 a.m. on Monday, September 25, 1995 at a location to be announced at a future date.

PNG will be holding a public workshop on Thursday, August 24, 1995 to explain its application and answer questions of intervenors and interested parties. The location of the workshop will be announced in the near future.

PUBLIC INSPECTION OF THE APPLICATION

The Application, Executive Summary, supporting material, interventions and Orders No. G-16-95 and G-59-95 are available for inspection at the following locations:

- PNG/PNG (N.E.)
1400 - 1185 West Georgia Street
Vancouver, B.C.
V6E 4E6
- District Offices located in PNG and PNG (N.E.)'s service area.
- British Columbia Utilities Commission, 6th Floor, 900 Howe Street, Vancouver, B.C.

INTERVENTIONS

Any person wishing to be present at the public hearing and/or to give evidence or cross-examine witnesses should provide written Notice, to be received not later than August 4, 1995, to the Commission Secretary and to PNG/PNG (N.E.). The Notice should include a brief statement as to the nature of the interest in the proceedings.

PARTICIPANT FUNDING

All parties intending to apply for Participant Funding should file a budget consistent with the Commission's Guidelines outlined in Commission Order No. G-117-93 by August 11, 1995.

INFORMATION REQUESTS

Intervenors or Interested Parties requesting additional information from the Applicant may do so by July 21, 1995. PNG/PNG (N.E.) shall respond to such requests by July 28, 1995. Other information requests shall be responded to with reasonable speed.

SUBMISSIONS BY INTERVENORS

Written evidence from Intervenors is required to be filed, one copy each, with the Commission Secretary and the Applicant by September 1, 1995.

CLARIFICATION

Persons intending to participate in the public hearing, and who are uncertain as to the manner in which to proceed, may contact Mr. Robert Pellatt, Commission Secretary, the Information Services Group or Mr. Robert Brownell, Senior Analyst, Project Management and Government Liaison, by telephone at (604) 660-4700 or B.C. Toll Free: 1-800-663-1385, by fax at (604) 660-1102, or in writing to the above address.

The Commission can also be reached on the Government Electronic Mail System ("GEMS") at RPELLAT@BCSC or on the Internet at RPELLAT@GALAXY.GOV.BC.CA.

BY ORDER



Robert J. Pellatt
Commission Secretary