BRITISH COLUMBIA UTILITIES COMMISSION

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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-10-95

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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.
for Approval of Cost of Gas Rate Changes

BEFORE: M.K. Jaccard, Chairperson; and)
K.L. Hall, Commissioner) January 12, 1995

O R D E R

WHEREAS:

A. On December 20, 1994 Pacific Northern Gas Ltd. ("PNG") applied to the Commission for approval to pass-through cost of gas and other changes to its Gas Tariff Rate Schedules effective January 1, 1995. The Commission had previously approved changes in PNG's gas supply costs for the 1994/95 gas contract year by Order No. G-84-94 including the use of cost of gas deferral accounts; and

B. The Application reflects a change to the retail rates for gas service, effective January 1, 1995, to reflect the pass-through of forecasted cost of gas changes for the 1994/95 gas contract year. The Application also requested approval to set up deferral accounts to record the differences between forecasted cost of gas prices and the actual prices and Westcoast Energy Inc.'s ("WEI") permanent and interim 1995 tolls. The Application requested to continue the use of deferral accounts to record differences between: actual and projected 1995 CanWest Gas Supply/WEI demand charges; the actual and projected Motor Fuel Tax payable by PNG to WEI in 1995; and, savings in the cost of gas supply resulting from PNG purchasing gas for the core market on the spot market rather than from its firm gas suppliers, all effective January 1, 1995; and

C. The Commission has reviewed the Application and is satisfied that approval is necessary and in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for PNG the change to the retail rates for natural gas service, effective January 1, 1995, to reflect the pass-through of forecasted cost of gas changes for the 1994/95 gas contract year. The methodology is approved subject to any revision to 1995 sales volumes contained in the Commission's Decision on PNG's 1995 Revenue Requirements Application which would require a recalculation of the cost of gas component in retail rates.

2. PNG is to record the difference between forecasted cost of gas prices and actual gas prices, including interest, in a 1995 cost of gas deferral account.

3. PNG is to record the difference between the WEI permanent 1995 tolls and the applied for 1995 WEI interim tolls that have been incorporated in this pass-through Application.

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4. PNG is to continue the use of deferral accounts, including interest, effective January 1, 1995, to record:

   (i) differences between actual and projected 1995 CanWest/WEI demand charges;
   (ii) differences between the actual and projected Motor Fuel Tax payable by PNG to WEI in 1995; and
   (iii) savings in the cost of gas supply resulting from PNG purchasing gas for the core market on the spot market rather than from its firm suppliers.

5. The disposition of the 1994 cost of gas deferral accounts will be determined by way of a future Commission Order.

6. PNG, by way of customer notice, is to provide all affected customers with an explanation of the changes to its Gas Tariff Rate Schedules effective January 1, 1995.

7. The Commission will accept, subject to timely filing by PNG, amended Gas Tariff Rate Schedules in accordance with terms of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 26th day of January, 1995.

BY ORDER

Dr. Mark K. Jaccard
Chairperson