

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



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER E-11-96

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

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

and

An Application by Pacific Northern Gas (N.E.) Ltd.
for Approval of Gas Supply Contracts and
Amendments for the 1996/97 Gas Contract Year

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) October 24, 1996

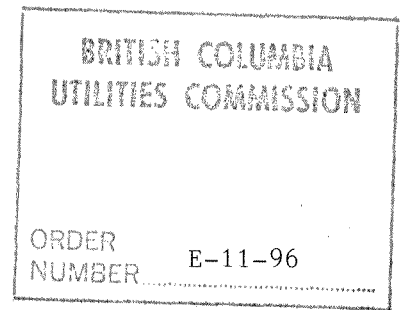
O R D E R

WHEREAS:

- A. On September 12 and 19, 1996 Pacific Northern Gas (N.E.) Ltd. ("PNG (N.E.)") applied to the Commission for approval of gas supply contracts and amendments to its gas supply portfolio for Dawson Creek for the 1996/97 gas contract year with CanWest Gas Supply Inc. ("CanWest"), Unocal Canada Ltd. ("Unocal"), Amoco Canada Petroleum Company Ltd. ("Amoco"), Westcoast Gas Services Inc. ("WGSI") and ProGas Limited ("ProGas"); and
- B. On October 15 and 18, 1996 PNG (N.E.) provided the Commission with additional information in support of the 1996/97 gas supply arrangements; and
- C. The Commission has reviewed the arrangements and is satisfied that approval of the gas supply contracts and amendments is necessary and in the public interest.

NOW THEREFORE pursuant to Section 85.3 of the Utilities Commission Act and the Rules, the Commission approves the following contracts and amendments to the gas purchase agreements for PNG (N.E.):

- 1. An amendment dated June 20, 1996 to the Baseload Contract between Pacific Northern Gas Ltd. ("PNG") and CanWest dated November 1, 1991 which expands the contract to provide 3,500 GJ/d of supply to Dawson Creek. Approval under this Order is subject to clarification in the formal amendment that, for Dawson Creek volumes, the Westcoast Energy Inc. charges that are added to the wellhead price are the Off-line tolls.
- 2. A Storage Agreement with Unocal, dated June 28, 1996, which provides 5,000 GJ/d of supply in 1996/97 and an Agreement with Unocal dated July 10, 1996 which provides 5,000 GJ/d of Transportation-north for delivery to Dawson Creek.
- 3. A Peaking Supply Agreement with Unocal dated September 11, 1996 for 4,000 GJ/d.



4. Spot Gas Purchase Agreements for 5,000 GJ/d with Amoco in July, 1996, with WGSi in August, 1996 and ProGas in September, 1996. PNG (N.E.) is to file a report by November 30, 1996 summarizing the amount and cost of gas purchased for storage in 1996.
5. The Commission directs PNG to file a report by April 30, 1997 which describes the operational and financial benefits that have resulted from the common management of gas supplies for Dawson Creek and PNG-West, its plans to further integrate supply, and PNG's efforts to combine its supply purchasing with that of on-system customers and/or other gas utilities.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of October, 1996.

BY ORDER

A handwritten signature in cursive script, appearing to read "Mark K. Jaccard".

Dr. Mark K. Jaccard
Chairperson