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CANADA



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER E-21-96

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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 a Short-Term (Spot) Gas Purchase Procedures
for the 1996/1997 Gas Contract Year

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) December 19, 1996

O R D E R

WHEREAS:

- A. On December 9, 1996 Pacific Northern Gas Ltd. ("PNG") applied to the Commission for approval of short-term (spot) gas purchase procedures for the 1996/1997 gas contract year that will streamline the approval process; and
- B. PNG has entered into gas purchase master agreements with several suppliers that will enable it to make short-term purchases; and
- C. The Commission has reviewed the procedures and finds that approval, subject to a number of modifications, 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 for PNG the following:

- 1. Gas purchase master agreements between PNG and:
 - 1.1 CanWest Gas Supply Inc., dated November 1, 1995;
 - 1.2 Westcoast Gas Services Inc., dated June 1, 1994;
 - 1.3 Unocal Canada Limited, dated April 25, 1995;
 - 1.4 Amoco Canada Petroleum Company Ltd., dated July 24, 1996;
 - 1.5 BC Gas Utility Ltd., dated November 1, 1995;
 - 1.6 ProGas Limited, dated September 1, 1996;
 - 1.7 Ocelot Energy Inc., dated November 1, 1994; and
 - 1.8 Petro-Canada, dated September 12, 1996.

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2. The short-term (spot) gas purchase procedures for the 1996/1997 gas contract year filed on December 9, 1996 by PNG are approved, subject to the following modifications to the monthly report of such purchases:

2.1 Where a purchase does not take place at Station 2, the estimated equivalent price of the gas at Station 2 will also be included in the report;

2.2 The reports will include a daily market price index at Station 2; and

2.3 The reports will identify the amount of short-term gas that is purchased for each division of PNG.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of December, 1996.

BY ORDER



Dr. Mark K. Jaccard
Chairperson