

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



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER E-11-97

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

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

and

an Application by Pacific Northern Gas Ltd.
for Approval of Short-Term Gas Purchase Contracts
for the 1997/98 Gas Contract Year

BEFORE: L.R. Barr, Deputy Chair)
and Acting Chair) October 2, 1997
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. The Commission, by Letter No. L-19-97, approved for Pacific Northern Gas Ltd. ("PNG") its 1997/98 Gas Contracting Plan ("the Plan"). The Plan anticipated a contract for 2.0 million gigajoules ("GJ") of Aitken Creek underground storage and proposed that short-term gas supply contracts (as well as purchases under baseload contracts) will be needed to fill the storage; and
- B. On August 27, 1997 PNG applied to the Commission for approval of Letter Agreements covering gas purchases from Remington Energy Ltd. ("Remington"), Engage Energy Canada L.P. ("Engage") and ProGas Limited ("ProGas"); and
- C. The Commission has reviewed the PNG filing and is satisfied that approval of the short-term gas purchase contracts are necessary and in the public interest.

NOW THEREFORE pursuant to Section 71 of the Utilities Commission Act and the Rules, the Commission approves the following for PNG:

- 1. A gas purchase agreement with Remington dated June 4, 1997 for 5,000 GJ/d for the months June through October, 1997.
- 2. A gas transaction confirmation with Engage (formerly Westcoast Gas Services Inc.) dated May 28, 1997 for 3,000 GJ/d for the months June through October, 1997.

3. A gas transaction confirmation with ProGas dated May 29, 1997 for 5,000 GJ/d for the months June through August, 1997.
4. The Commission orders PNG to address the allocation of its spot and short-term gas purchases between current sales and storage injections as part of its 1998 Rate Design filing.

DATED at the City of Vancouver, in the Province of British Columbia, this 8th day of October, 1997.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chair
and Acting Chair