



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

and

Pacific Northern Gas Ltd. and  
Pacific Northern Gas (N.E.) Ltd.  
Report Regarding Reductions to the Gas Commodity Component of Rates

**BEFORE:** P. Ostergaard, Chair )  
R.D. Deane, Commissioner )  
K.L. Hall, Commissioner ) September 26, 2001  
N.F. Nicholls, Commissioner )  
E.J. Rowbotham, Commissioner )

**O R D E R**

**WHEREAS:**

- A. On September 13, 2001, Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd. (collectively "PNG") filed with the Commission its Third Quarter Report on future gas acquisition costs and revenue effective October 1, 2001, consistent with the Guidelines set out in Commission Letter No. L-5-01. On September 21, 2000, PNG filed additional information on Gas Cost Variance Account ("GCVA") balances, which confirmed that a reduction in rates to natural gas sales customers was required; and
- B. PNG's Third Quarter Report requested a rate decrease for gas sales customers of the utility effective October 1, 2001, which would reduce the annual bills of typical sales customers by 10 percent. Due to the structure of rates for Tumbler Ridge, rates for commercial and small industrial customers in this area would be reduced by 11 to 12 percent; and
- C. The Commission has reviewed the filing and other evidence and has determined that rates should be decreased for PNG customers. Due to the current and projected balances in the GCVA, the Commission has determined that the rate reductions should be 150 percent of the reductions requested by PNG.

**NOW THEREFORE** the Commission orders as follows:

- 1. The Commission approves rate changes for PNG's customers, effective October 1, 2001, that are 150 percent of the decreases proposed by PNG in the column entitled "Proposed Decrease \$/GJ" on

page 4 of PNG's September 13, 2001 Report, except that the resulting gas supply charges and GCVA Rider for Fort St. John should also apply for Dawson Creek customers.

2. PNG is to file by December 7, 2001 an update on GCVA balances and expected gas costs and revenues for the calendar year 2002 for each service area including Granisle. In accordance with the Guidelines outlined in Commission Letter No. L-5-01, PNG should request rate changes in the event forecast gas costs and revenues differ by more than 5 percent.
3. PNG is to notify all affected customers of the approved rate changes by way of a customer notice. PNG is directed to review its communications plan, bill inserts, or bill messages related to the rate decrease with Commission staff prior to release.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 27<sup>th</sup> day of September 2001.

BY ORDER

*Original signed by:*

Peter Ostergaard  
Chair