

BRITISH COLUMBIA UTILITIES COMMISSION

ORDER

NUMBER E-4-04

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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 2003/2004 Gas Supply Contracts

BEFORE: L.F. Kelsey, Commissioner

K.L. Hall, Commissioner October 28, 2004

ORDER

WHEREAS:

- A. On August 6, 2003 the Commission, by Letter No. L-39-03, accepted Pacific Northern Gas Ltd.'s ("PNG") 2003/2004 Gas Contracting Plan and Price Risk Management Plan; and
- B. On September 15, 2004 PNG filed with the Commission for acceptance copies of GasEDI contracts and transactions forms completed with Terasen Gas Inc. ("TGI"), BP Canada Energy Company ("BP") and Encana Gas Marketing ("Encana"), a Master Gas Purchase and Sale Agreement with Canadian Natural Resources Ltd. ("CNR"), a gas storage agreement with TGI and the CanWest Supply Inc. ("CanWest") gas price letter agreement; and
- C. The Commission has reviewed the PNG filing and is satisfied that the gas supply contracts are appropriate and in the public interest.

NOW THEREFORE pursuant to Section 71 of the Utilities Commission Act, the Commission accepts the following natural gas contracts and amendments for PNG:

| Term | Company | Location | Volume (GJ/day) | Type of contract | Transaction Date |
|-------------|-----------------------------------|-----------------------------|--------------------|--|------------------|
| Nov03-Oct04 | CanWest | Stn2/Ft St John/Pink Mtn | 24,300 | Gas Pricing Letter | Sept 4, 2003 |
| Nov03-Mar04 | Terasen (Aitken Creek Storage) | Solex | 5,000 | Gas Storage Agreement | August, 2003 |
| Nov03-Mar04 | EnCana | Stn2 | 10,000 | GasEDI contract with confirmation letter | Aug 28, 2003 |
| Nov03-Mar04 | BP Canada | Stn2 | 5,000 | GasEDI contract with confirmation letter | Sept 26, 2003 |
| Dec03-Feb04 | BP Canada | Stn2 | 3,000 | GasEDI contract with confirmation letter | Oct 16, 2003 |

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| Dec03-Feb04 | BP Canada | Stn2 | 2,500 | GasEDI contract with confirmation letter | Oct 30, 2003 | | | | |
|-------------|-----------|------|---------|--|--------------|--|--|--|--|
| Dec03-Feb04 | BP Canada | Stn2 | 2,500 | GasEDI contract with confirmation letter | Nov 13, 2003 | | | | |
| Apr04-Oct04 | EnCana | Stn2 | 2,500 | GasEDI contract with confirmation letter | Oct 23, 2003 | | | | |
| Apr04-Oct04 | CNR | Stn2 | 2,500 | Master Gas Purchase and Sale Agreement and e-mail | Oct 30, 2003 | | | | |
| | | | | | | | | | |
| Nov 03 | Terasen | Stn2 | (5,000) | GasEDI contract with confirmation letter | Sept 30 2003 | | | | |
| Mar 03 | Terasen | Stn2 | (5,000) | GasEDI contract with confirmation letter | Sept 30 2003 | | | | |
| Apr04-Oct04 | Terasen | Stn2 | (8,000) | GasEDI contract with confirmation letter | Dec 30, 2003 | | | | |

The Commission will hold the PNG application and the contract documents as confidential at this time.

DATED at the City of Vancouver, in the Province of British Columbia, this 2nd day of November 2004.

BY ORDER

Original signed by:

L.F. Kelsey Commissioner