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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-122-05

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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 (N.E.) Ltd.
for Approval of a Plant Upset Expenses Deferral Account
Tumbler Ridge Gas Processing Plant**

BEFORE: L.F. Kelsey, Commissioner
L.A. Boychuk, Commissioner November 24, 2005

O R D E R

WHEREAS:

- A. In January 2005, Pacific Northern Gas (N.E.) Ltd. ["PNG (N.E.)"] experienced unanticipated fouling in the amine system at its Tumbler Ridge Gas Processing Plant, which prevented the use of the amine system to remove impurities from the raw gas stream; and
- B. PNG (N.E.) was able to maintain service to its residential customers, but was required to take immediate remedial action in order to provide service to its industrial customer; and
- C. PNG (N.E.) reported that the extraordinary costs to remedy the amine system upset totaled \$172,385; and
- D. On November 15, 2005 PNG (N.E.) requested Commission approval of a deferral account for costs related to the major upsets at the Tumbler Ridge gas processing plant in January and February of 2005; and
- E. PNG (N.E.) requested deferral account treatment for these costs on the basis that the problem was analogous to a line break, in that it was unplanned, not reasonably foreseeable and not preventable; and
- F. The Commission has considered the PNG (N.E.) request, and has concluded that the deferral account should be approved.

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NOW THEREFORE the Commission orders as follows:

1. The Commission approves a rate base deferral account for recording unbudgeted and extraordinary incremental costs related to major plant upsets at the Tumbler Ridge Gas Processing Plant in January and February 2005, up to a maximum amount of \$175,000.
2. The Commission will determine prudence of the costs recorded in the account relative to the approved operating and maintenance expense budget for 2005, and the disposition of the balance in the account at a future time.
3. When it files information regarding the disposition of the account balance, PNG (N.E.) will provide a detailed breakdown of the costs that have been recorded in the account, and a comparison of approved and actual operating and maintenance expenses for Tumbler Ridge Division and the Tumbler Ridge Gas Processing Plant for 2005.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of November 2005.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner