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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-61-05

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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 Ltd. and Pacific Northern Gas (N.E.) Ltd.
for Approval of Changes to Commodity Rates in the
Second Quarter 2005 Report on the Gas Commodity Components of Rates for the
PNG-West, Granisle Propane, Fort St. John /Dawson Creek and Tumbler Ridge Divisions**

BEFORE: L.F. Kelsey, Commissioner June 22, 2005
L.A. Boychuk, Commissioner

O R D E R

WHEREAS:

- A. On June 14, 2005 Pacific Northern Gas Ltd. ("PNG-West"), Pacific Northern Gas (N.E.) Ltd. Fort St. John and Dawson Creek ["PNG (N.E.)"], PNG (N.E.) Tumbler Ridge ("Tumbler Ridge") and Granisle filed a Second Quarter 2005 Report on Current and Projected Gas Supply Costs, Gas Cost Variance Account ("GCVA") balances and future gas acquisition costs and revenue based the June 8, 2005 forward gas price strip, consistent with the guidelines set out in Commission Letter No. L-5-01; and
- B. On June 16, 2005 PNG-West, PNG (N.E.), Tumbler Ridge and Granisle filed supplemental information for the Second Quarter 2005 Report on bill comparisons for each distribution area, the June 8, 2005 forward price strip and a gas to electricity rate comparison; and
- C. On June 20, 2005 PNG-West and PNG (N.E.), Tumbler Ridge and Granisle filed supplemental information for the Second Quarter 2005 Report. PNG proposes that PNG-West Gas Supply Charges increase by \$0.20/GJ and the GCVA credit rate rider decrease by \$0.30/GJ from the current \$0.581/GJ to \$0.281/GJ resulting in a \$0.50/GJ overall increase. For PNG (N.E.) the Gas Supply Charges are proposed to increase by \$0.20/GJ and the GCVA credit rate rider of \$0.101/GJ be changed to a \$0.099/GJ debit rate rider resulting in a \$0.40/GJ overall increase. The Tumbler Ridge Division credit rate rider is proposed to increase from zero to \$0.35/GJ. No changes are proposed for the current Granisle propane cost recovery rate; and

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- D. The PNG-West, PNG (N.E.), Tumbler Ridge and Granisle GCVA balances as of June 30, 2005 are projected to be a credit of \$1,086,813, a debit of \$174,010, a credit of \$139,557 and a debit of \$38,372 respectively; and
- F. The Commission has reviewed the filings and other evidence for PNG-West, PNG (N.E.), Tumbler Ridge and Granisle including projected GCVA balances over the next 12 months and finds that the application should be accepted.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for PNG-West an increase in the Gas Supply Charges of \$0.20/GJ, and a \$0.281/GJ GCVA credit rider and no change to the Company Use Gas Charge, effective July 1, 2005.
2. The Commission approves for PNG (N.E.)'s Fort St. John and Dawson Creek Division an increase in the Gas Supply Charges of \$0.20/GJ and a \$0.099/GJ GCVA debit rate rider, effective July 1, 2005.
3. The Commission approves for Tumbler Ridge an increase in the GCVA credit rate rider to \$0.35/GJ, effective July 1, 2005.
4. The Commission accepts PNG-West's recommendation that current propane rates for the Granisle grid system customers continue unchanged.
5. PNG and PNG (N.E.) are to notify all customers of the approved rate changes by customer notice. PNG is directed to review its communication plan bill insert or customer notice with Commission staff prior to their release.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of June 2005.

BY ORDER

Original signed by:

L.F.Kelsey
Commissioner