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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-15-05

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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.
for Approval to Amend 2005 Rates
and
An Income Trust Application

BEFORE: R. Hobbs, Chair
L. Boychuk, Commissioner January 31, 2005

O R D E R

WHEREAS:

- A. On December 17, 2004, Pacific Northern Gas Ltd. ("PNG") filed for approval of its 2005 Revenue Requirements Application to amend its rates on an interim and final basis, effective January 1, 2005, pursuant to Sections 89 and 58 of the Utilities Commission Act ("the Act"); and
- B. The 2005 Revenue Requirements Application proposes to increase delivery rates to all customers, except West Fraser Mills and Methanex Corporation, as a result of increases in cost of service and lower gas deliveries to most customers classes; and
- C. By Order No. G-114-04 the Commission approved an interim rate increase in the delivery rates for all classes of customers, except West Fraser Mills and Methanex Corporation, effective January 1, 2005 subject to refund with interest; and
- D. On December 17, 2004, PNG also filed an application to convert PNG to an income trust structure ("the Income Trust Application") ("the Applications"); and
- E. By Order No. G-114-04, the Commission also established a Pre-hearing Conference ("PHC") in Vancouver on January 20, 2005 to address procedural matters related to the Applications, including the identification of principal issues and the process options for review of the Applications; and

- F. At the PHC, some Intervenor raised concerns regarding PNG's request to review its Income Trust Application prior to the fall 2005 General Review of the Return on Equity ("ROE") and the Capital Structure that has been scheduled by Commission Order No. G-88-04 ("the General ROE Review"); and
- G. The Commission Panel by letter dated January 26, 2005 to PNG and the Registered Intervenor (Exhibit A-3) addressed the issues raised at the PHC. The Commission Panel determined that the review of the PNG Income Trust Application will precede the General ROE Review. The expert evidence and testimony at the hearing into PNG's Income Trust Application is to address the appropriate capital structure under the PNG 2005 Revenue Requirements Application and the Income Trust Application; and
- H. In view of scheduling concerns raised by some of the parties at the PHC, the Commission Panel directed PNG and the BC Old Age Pensioners' Organization et al ("BCOAPO") to prepare a draft regulatory timetable for review by the Commission; and
- I. On January 28, 2005, following its discussions with BCOAPO, PNG filed a draft regulatory timetable regarding the Applications for the Commission Panel's review; and
- J. The Commission Panel has reviewed PNG's January 28, 2005 submission and has determined that a regulatory timetable should be established for the review of Applications.

NOW THEREFORE the Commission orders as follows:

1. An oral public hearing into the Income Trust Application will commence at 9:00 a.m. on Tuesday, May 10, 2005 in the Commission's Hearing Room on the Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3. The Regulatory Timetable is set out in Appendix A to this Order.

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2. The PNG Application and supporting material will be made available for inspection at public libraries in Prince Rupert, Terrace, Kitimat, Houston, Smithers, Burns Lake, Vanderhoof, Fort St. James, at the Head Office of PNG at Suite 950, 1185 West Georgia Street, Vancouver, B.C. V6E 4E6 and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3.
3. A second Pre-hearing Conference will commence at 9:00 a.m. on Wednesday, April 13, 2005 in the Commission's Hearing Room on the Sixth Floor, 900 Howe Street, Vancouver, BC V6Z 2N3.
4. PNG is to provide a copy of this Order, by facsimile if possible, to all Intervenor registered in the Income Trust Application and the PNG 2005 Revenue Requirements Application proceedings, as soon as possible.
5. Intervenor intending to apply for participant assistance must submit a budget estimate by Wednesday, February 2, 2005 consistent with the Commission's Participant Assistance/Cost Award Guidelines. Copies are available upon request or can be downloaded from the Commission's web site at <http://www.bcuc.com/bcuc/paca.html>.

DATED at the City of Vancouver, in the Province of British Columbia, this 1st day of February 2005.

BY ORDER

Original signed by:

L.A. Boychuk
Commissioner

Attachment

PACIFIC NORTHERN GAS LTD.

**An Application for Approval to Amend 2005 Rates
and
Income Trust Application**

REGULATORY TIMETABLE

ACTION

DATES 2005

Budget Estimates for Participant Assistance submitted	Wednesday, February 2
Commission Information Requests No. 1 issued to PNG on Revenue Requirements and Income Trust Applications	Friday, February 4
PNG Responses to Commission Information Requests No. 1	Friday, February 18
Deadline for filing 2004 Year-End Update to Applications by PNG	Friday, February 18
PNG files expert testimony	Friday, February 25
Commission Information Requests No. 2 issued to PNG on 2004 Year-End Update to Applications and PNG's expert testimony	Friday, March 4
Intervenor Information Requests No. 1 to PNG on Applications and PNG's expert testimony	Wednesday, March 9
PNG Responses to Commission Information Request No. 2 and Intervenor's Information Request No. 1	Friday, March 18
Commission Information Request No. 3 and Intervenor's Information Request No. 2 to PNG	Thursday, March 24
PNG responds to Commission Information Request No. 3 and Intervenor's Information Request No. 2	Friday, April 1
Intervenor Expert Evidence Filed	Wednesday, April 6
Information Requests on Intervenor Evidence issued	Tuesday, April 12
Second Pre-hearing Conference	Wednesday, April 13
Intervenor Respond to Information Requests	Tuesday, April 19
PNG Rebuttal Evidence filed	Thursday, April 21
Oral Public Hearing on the Income Trust Application in Vancouver, B.C. commences	Tuesday, May 10