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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-157-07

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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. ("PNG")
and Pacific Northern Gas (N.E.) Ltd. ("PNG(N.E.)")
regarding Natural Gas Commodity Charges effective January 1, 2008
for the PNG-West, Granisle, Fort St. John/Dawson Creek and Tumbler Ridge Service Areas

BEFORE: L.F. Kelsey, Commissioner
P.E. Vivian, Commissioner December 13, 2007

O R D E R

WHEREAS:

- A. On December 7, 2007, PNG filed its Fourth Quarter 2007 Report (the "Report") on gas supply costs and Gas Cost Variance Account ("GCVA") balances for PNG-West, Granisle, Fort St. John/Dawson Creek ("PNG(N.E.)") and Tumbler Ridge based on November 26, 2007 natural gas and propane forward prices; and
- B. PNG requests that for PNG-West the current GCVA commodity credit rate rider of \$0.642/GJ remain unchanged, the current Company use gas price and unaccounted for gas ("UAF") volume deferral account GCVA credit rate rider of \$0.254/GJ be reduced to zero and the Company use gas cost recovery rate be reduced from \$0.128/GJ to \$0.122/GJ effective January 1, 2008; and
- C. PNG requests that Granisle Propane Division maintain the current propane commodity rate of \$17.333/GJ and the minimum current GCVA commodity debit rate rider of \$1.00/GJ effective January 1, 2008; and
- D. PNG requests that for PNG(N.E.) the current GCVA commodity credit rate rider of \$0.256/GJ remain unchanged, the current Company use gas price and UAF volume deferral account GCVA credit rate rider of \$0.076/GJ be reduced to zero and the Company use gas cost recovery rate be increased from \$0.091/GJ to \$0.106/GJ effective January 1, 2008; and
- E. In the Report PNG recommends that for PNG-West and PNG(N.E.) no other changes be made to commodity rates for their service areas; and
- F. In the Report PNG recommends that for Tumbler Ridge commodity rate remain unchanged, the current GCVA commodity credit rate rider of \$1.491/GJ be maintained, the current Company use gas price and the UAF volume deferral account GCVA debit rate rider currently at zero be maintained, and the current Company use gas cost recovery rate be increased from \$0.487/GJ to \$0.647/GJ effective January 1, 2008; and

**BRITISH COLUMBIA
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2

- G. The Commission concludes that the requested changes to GCVA rate riders and Company use gas cost recovery rates for PNG-West, PNG(N.E.) and the Tumbler Ridge service areas should be approved.

NOW THEREFORE pursuant to Section 61(4) of the Act the Commission orders effective January 1, 2008 the following:

1. In the PNG-West Division, the Commission approves a reduction in the current Company use gas price and the UAF volume deferral account GCVA credit rider of \$0.254/GJ to zero, and a reduction in the current Company use gas recovery rate of \$0.128/GJ to \$0.122/GJ.
2. In the PNG(N.E.) Fort St. John/Dawson Creek Division, the Commission approves a reduction in the current Company use gas price and the UAF volume deferral account GCVA credit rider of \$0.076/GJ to zero and an increase in the current Company use gas recovery rate of \$0.091/GJ to \$0.106/GJ.
3. In the PNG(N.E.) Tumbler Ridge Division, the Commission approves an increase in the current Company use gas recovery rate from \$0.487/GJ to \$0.647/GJ.
4. The Commission accepts the recommendation in the report that the other commodity rates remain unchanged as of January 1, 2008.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of December 2007.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner