



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-128-07

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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**Application by Pacific Northern Gas (N.E.) Ltd.
(Fort St. John/Dawson Creek and Tumbler Ridge Divisions)
for Approval of 2008 Revenue Requirements and Rates**

BEFORE: L.A. O'Hara, Commissioner October 17, 2007

O R D E R

WHEREAS:

- A. On October 10, 2007, Pacific Northern Gas (N.E.) Ltd. ("PNG (N.E.)") Fort St. John/Dawson Creek ("FSJ/DC") and Tumbler Ridge ("TR") Divisions filed for approval of its 2008 Revenue Requirements Application ("the Application") to amend its rates on a permanent basis, effective January 1, 2008, pursuant to Section 58 of the Utilities Commission Act ("the Act"); and
- B. PNG (N.E.) FSJ/DC Division projects a revenue deficiency of approximately \$750,000 for the 2008 test year primarily due to higher cost of service in 2008. PNG (N.E.) estimates the average delivery charge rate increases for residential customers in the Fort St. John and Dawson Creek service areas are 7.5 percent and 8.1 percent, respectively. The average delivery charge rate increases for small commercial customers for the two service areas are 6.9 percent and 9.2 percent, respectively; and
- D PNG (N.E.) TR Division projects a revenue sufficiency of approximately \$23,000 for the 2008 test year primarily due to lower cost of service in 2008. The Application proposes to decrease the gas delivery charge in rates for all customers of the PNG (N.E.) TR Division. PNG (N.E.) estimates the average delivery charge rate decreases for residential customers and small commercial customers are 2.1 percent and 2.0 percent, respectively, in the Tumbler Ridge service area; and
- D PNG (N.E.) TR Division proposes to amortize the Cost of Service deferral account, which has a credit balance of \$34,000 at the end of 2007, in 2009 rather than in 2008 to help offset the increase in amortization in 2009 as a result of the depreciation credit adjustment being fully amortized by the end of 2008; and
- E. On September 7, 2007 PNG (N.E.) filed its Third Quarter 2007 Report on gas supply costs and Gas Cost Variance Account ("GCVA") balances, which recommended a reduction in Gas Supply Cost Recovery Rates and an increase in the GCVA rate riders for PNG (N.E.) Tumbler Ridge service area effective October 1, 2007 based on August 31, 2007 natural gas and propane forward prices. The Commission approved PNG (N.E.)'s recommendations in Order No. G-103-07; and

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2

- F. PNG (N.E.) proposes a regulatory schedule using a Negotiated Settlement Process (“NSP”) for the review of the Application; and
- G. The Commission considers that establishing a Regulatory Timetable for registration of Intervenor and for the preliminary review of the Application and to allow Intervenor to make written submissions on a formal review process, is necessary and in the public interest. The Commission will consider the comments received and will provide further direction concerning the appropriate process and regulatory timetable to review the Application.

NOW THEREFORE the Commission orders as follows:

1. The Application and supporting material will be made available for inspection at public libraries in Fort St. John, Dawson Creek, and Tumbler Ridge, and at the Head Office of PNG (N.E.) 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.
2. Intervenor and Interested Party registration, an initial round of Information Requests from the Commission and Intervenor, and responses to Information Requests by PNG (N.E.) will occur according to the Preliminary Regulatory Timetable attached as Appendix A to this Order.
3. Intervenor and Interested Parties should register with the Commission, via the BCUC website or in writing, by Friday, November 2, 2007, of their intention to intervene. Intervenor are requested to make submissions with reasoning concerning the type of process (e.g. oral public hearing, written hearing or negotiated settlement process) and regulatory timetable they view as being appropriate for the review of the Application.
3. PNG (N.E.) is to provide a copy of this Order, by e-mail if possible, to all Intervenor and Interested Parties registered in the PNG (N.E.) 2006 and 2007 Revenue Requirements Application proceedings.

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

BY ORDER

Original signed by:

L. A. O’Hara
Commissioner

Attachment

PACIFIC NORTHERN GAS (N.E.) LTD.
(Fort St. John/Dawson Creek and Tumbler Ridge Divisions)
Application for Approval of 2008 Revenue Requirements and Rates

PRELIMINARY REGULATORY TIMETABLE

ACTION	DATES
BCUC Information Request No. 1	Friday, November 2, 2007
Registration of Intervenor and Interested Parties	Friday, November 2, 2007
Intervenor Written Submissions on the Review Process and Timetable	Friday, November 2, 2007
Intervenor Information Requests No. 1	Friday, November 9, 2007
PNG (N.E.) Responses to Commission and Intervenor Information Requests No. 1	Friday, November 16, 2007