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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-143-10**

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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.
regarding Natural Gas Commodity Charges effective October 1, 2010
for the PNG-West and Granisle Service Areas**

BEFORE: D.A. Cote, Commissioner September 16, 2010
A.A. Rhodes, Commissioner

O R D E R

WHEREAS:

- A. On September 2, 2010, Pacific Northern Gas Ltd. (PNG, PNG-West) filed with the British Columbia Utilities Commission (Commission) its 2010 Third Quarter Report on gas supply costs and Gas Cost Variance Account (GCVA) balances for PNG-West and Granisle, based on August 31, 2010 natural gas and propane forward prices and amended the September 2, 2010 filing on September 13, 2010 (together the Report);
- B. The Report forecasts for PNG-West that the ratio of gas commodity cost recoveries at current rates to forecast gas commodity costs over the following 12 months would be 1.109, which is outside the 0.95 to 1.05 dead band range guideline and requests approval to reduce the gas commodity rates effective October 1, 2010;
- C. PNG requests approval for the PNG-West Division to reduce the current GCVA commodity credit rate rider of \$0.27/GJ to \$0.199/GJ and to increase the current Company use GCVA gas cost debit rate rider of \$0.006/GJ to \$0.094/GJ, effective October 1, 2010;
- D. PNG-West requests approval for the PNG-West Division to make no changes to the current Company use gas cost delivery rate of \$0.148/GJ and the Company use gas commodity price of \$5.751/GJ used for price deferral accounting purposes;
- E. The Report forecasts for Granisle that the ratio of propane commodity cost recoveries at current rates to forecast propane commodity costs over the following 12 months would be 1.123;

**BRITISH COLUMBIA
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2

- F. PNG requests approval for Granisle to make no change to the current propane commodity rate of \$17.753/GJ and to increase the current GCVA credit rate rider of \$1.413/GJ to \$2.50/GJ, effective October 1, 2010;
- G. The Commission concludes that the rates requested in the Report should be approved, effective October 1, 2010.

NOW THEREFORE pursuant to section 61(4) of the *Utilities Commission Act*, the Commission orders the following:

1. In the PNG-West Division, the Commission approves decreasing the gas commodity charges to \$5.337/GJ, \$5.362/GJ, \$4.883 /GJ, \$5.066/GJ, \$4.759/GJ and \$4.929/GJ for the residential (RS1), small/large commercial (RS2/RS3), commercial interruptible (RS4), small industrial (RS5), seasonal off peak (RS6) and NGV (RS7) customers, respectively, effective October 1, 2010.
2. In the PNG-West Division, the Commission approves reducing the GCVA commodity credit rider of \$0.27/GJ to \$0.199/GJ and increasing the GCVA Company use gas cost debit rate rider of \$0.006/GJ to \$0.094/GJ, effective October 1, 2010.
3. In the PNG-West Division, the Commission approves making no changes to the Company use gas cost delivery rate nor to the Company use gas commodity price used for price deferral accounting purposes.
4. In Granisle, the Commission approves making no change to the propane commodity rate of \$17.753/GJ and to increase the current GCVA credit rate rider of \$1.413/GJ to \$2.50/GJ, effective October 1, 2010.
5. PNG-West is to provide a descriptive explanation of the rate changes by way of a customer notice for all affected customers, to be submitted to the Commission in draft form prior to its release.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of September 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner