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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-215-13**

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

and

**Pacific Northern Gas Ltd.
An Application regarding Natural Gas Commodity Charges effective January 1, 2014
for the PNG-West and Granisle Service Areas**

BEFORE: L.F. Kelsey, Commissioner
C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner December 12, 2013
B.A. Magnan, Commissioner
D.M. Morton, Commissioner
R.D. Revel, Commissioner

O R D E R

WHEREAS:

- A. On December 4, 2013, Pacific Northern Gas Ltd. (PNG) filed with the British Columbia Utilities Commission (Commission) its 2013 Fourth Quarter Report on gas supply costs and Gas Cost Variance Account (GCVA) balances for the PNG-West and Granisle Service Areas, based on forecast natural gas prices using the average of five consecutive days forward price forecasts ending November 26, 2013, and forecast propane prices obtained from PNG's propane supplier also on November 25, 2013 (the Report);
- B. For the PNG-West Service Area, the Report forecasts that the ratio of gas commodity cost recoveries at current rates to forecast gas commodity costs over the following 12 months would be 0.883 which is outside the established 0.95 to 1.05 dead band range. However, the differences between the October 1, 2013 and indicative January 1, 2014 rates are less than the \$0.50/GJ trigger in respect of the each customer class. Based on the foregoing, PNG recommends no changes be made to the gas commodity rates effective January 1, 2014;
- C. For the PNG-West Service Area, PNG recommends maintaining the GCVA commodity debit rate rider of \$0.070 and the Company use GCVA gas cost credit rate rider of \$0.017/GJ, effective January 1, 2014;
- D. For the PNG-West Service Area, PNG recommends reducing the current Company use gas cost delivery rate from \$0.092/GJ to \$0.067/GJ and requests approval to increase the Company use gas commodity price used for price deferral accounting purposes from \$3.242/GJ to \$3.253/GJ effective January 1, 2014;

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- E. For the Granisle Service Area, PNG forecasts that the ratio of propane commodity cost recoveries at current rates to forecast propane commodity costs over the following 12 months would be 0.829 which is outside the established 0.95 to 1.05 dead band range, and requests approval to increase the propane commodity rate from \$18.708/GJ to \$20.656/GJ, effective January 1, 2014;
- F. For the Granisle Service Area, PNG requests approval to decrease the GCVA commodity credit rate rider from \$1.689/GJ to \$0.121/GJ, effective January 1, 2014; and
- G. The Commission concludes that the rates requested in the Report should be approved, effective January 1, 2014.

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

- 1. In the PNG-West Service Area, PNG's recommendation that gas commodity rates, the GCVA commodity rate rider and the Company use GCVA gas cost rider remain unchanged effective January 1, 2014, is accepted.
- 2. In the PNG-West Service Area, the recommendation to decrease the Company use gas cost delivery rate from \$0.092/GJ to \$0.067/GJ and to increase the Company use gas commodity price used for deferral accounting purposes from \$3.242/GJ to \$3.253/GJ effective January 1, 2014, is approved.
- 3. For the Granisle Service Area, the recommendation to increase the propane commodity rate from \$18.708/GJ to \$20.656/GJ, and to decrease the GCVA commodity credit rate rider from \$1.689/GJ to \$0.121/GJ effective January 1, 2014, is approved.
- 4. PNG 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 12th day of December 2013.

BY ORDER

Original Signed by:

D.M. Morton
Commissioner