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BRITISH COLUMBIA UTILITIES COMMISSION

ORDER NUMBER G-216-13

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

and

Pacific Northern Gas (N.E.) Ltd.
An Application regarding Natural Gas Commodity Charges effective January 1, 2014
for the Fort St. John/Dawson Creek and Tumbler Ridge Service Areas

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

December 12, 2013

O R D E R

WHEREAS:

A. On December 4, 2013, Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] 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 its Fort St. John/Dawson Creek (FSJ/DC) and Tumbler Ridge Divisions, based on forecast natural gas prices using the average of five consecutive days forward gas price forecasts ending November 26, 2013 (the Report);

B. For the FSJ/DC Division, PNG(N.E.) forecasts that the ratio of gas commodity cost recoveries at current rates to forecast gas commodity costs over the following 12 months would be 0.882 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 each customer class. Based on the foregoing, PNG(N.E.) recommends no changes be made to the gas commodity rates effective January 1, 2014;

C. For the FSJ/DC Division, PNG(N.E.) recommends maintaining the current GCVA commodity debit rate rider of $0.017/GJ and the Company use GCVA gas cost credit rate rider of $0.005/GJ, effective January 1, 2014;

D. PNG(N.E.) requests approval for the FSJ/DC Division to increase the current Company use gas cost delivery rate of $0.053/GJ to $0.055/GJ and to increase the Company use gas commodity price from $3.219/GJ to $3.236/GJ used for price deferral accounting purposes effective January 1, 2014;

E. For the Tumbler Ridge Division, PNG(N.E.) forecasts that the ratio of gas commodity cost recoveries at current rates to forecast gas commodity costs over the following 12 months would be 0.799 which is outside the established 0.95 to 1.05 dead band range and requests approval for the Tumbler Ridge Division to increase the current gas commodity rate from $3.636/GJ to $4.408/GJ, effective January 1, 2014;

F. PNG(N.E.) requests approval for the Tumbler Ridge Division to decrease the current GCVA commodity rate credit rider of $0.237/GJ to $0.152/GJ and increase the Company use GCVA gas cost credit rate rider of $0.027/GJ to $0.050/GJ, effective January 1, 2014;

G. PNG(N.E.) requests approval for the Tumbler Ridge Division to increase the current Company use gas cost delivery rate of $0.260/GJ to $0.305/GJ and to increase the Company use gas commodity price of $3.142/GJ used for price deferral accounting purposes to $4.408/GJ, effective January 1, 2014; and

H. The Commission concludes that the rate changes 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(N.E.) FSJ/DC Division, PNG(N.E.)'s recommendation to maintain the current gas commodity charges for core market sales customers is accepted.

2. In the PNG(N.E.) FSJ/DC Division, the recommendations to maintain the current GCVA commodity rate debit rider of $0.017/GJ and to maintain the current Company use GCVA gas cost rate credit rider of $0.005/GJ are accepted.

3. In the PNG(N.E.) FSJ/DC Division, the recommendation to increase the Company use gas cost delivery rate from $0.053/GJ to $0.055/GJ and to increase the Company use gas commodity price used for price deferral accounting purposes from $3.219/GJ to $3.236 effective January 1, 2014, is approved.

4. In the PNG(N.E.) Tumbler Ridge Division, the recommendation to increase the gas commodity rate from $3.636/GJ to $4.408/GJ effective January 1, 2014, is approved.

5. In the PNG(N.E.) Tumbler Ridge Division, the recommendation to decrease the GCVA commodity credit rate rider from $0.237/GJ to $0.152/GJ and to increase the current Company use GCVA gas cost credit rate rider from $0.027/GJ to $0.050/GJ effective January 1, 2014, is approved.

6. In the PNG(N.E.) Tumbler Ridge Division, the recommendation to increase the Company use gas cost delivery rate from $0.260/GJ to $0.305/GJ and to increase the Company use gas commodity price used for price deferral accounting purposes from $3.142/GJ to $4.408/GJ effective January 1, 2014, is approved.

7. PNG(N.E.) 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