



British Columbia
Utilities Commission

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LETTER L-16-16

VIA EMAIL

jkennedy@png.ca

June 16, 2016

Ms. Janet P. Kennedy
Vice-President, Regulatory Affairs & Gas Supply
Pacific Northern Gas (N.E.) Ltd.
1185 West Georgia Street
Suite 950
Vancouver, BC V6E 4E6

Dear Ms. Kennedy:

Re: Pacific Northern Gas (N.E.) Ltd
Second Quarter 2016 Report on Gas Supply Costs for
Fort St. John/Dawson Creek and Tumbler Ridge Service Areas

On June 7, 2016, Pacific Northern Gas (N.E.) Ltd. [PNG (N.E.)] filed with the British Columbia Utilities Commission (Commission) its Second Quarter 2016 Report on gas supply costs and Gas Cost Variance Account (GCVA) balances, which contained information for its Fort St. John/Dawson Creek (FSJ/DC) and Tumbler Ridge (TR) service areas (Report).

The Commission, by Letters L-5-01 and L-40-11, set out a guideline trigger mechanism and rate change methodology (Guidelines) that have generally been adopted by natural gas and propane utilities including PNG (N.E.).

The Commission notes that Order G-198-15 established the current gas commodity rates, GCVA commodity rate rider, and Company Use GCVA gas cost rates and rate rider for both FSJ/DC and TR.

The Commission reviewed the Report taking into account the Guidelines and accepts PNG (N.E.)'s recommendations that no changes to the gas commodity rates and gas cost rate riders are required for FSJ/DC and TR. The rates established under the above noted order will remain unchanged effective July 1, 2016.

Yours truly,

Signed by L. Sharpe for:

Laurel Ross

CM/cms

cc: Mr. Verlon G. Otto
Director, Regulatory Affairs
Pacific Northern Gas Ltd.