



November 16, 2017

Sent via email

Letter L-31-17

Ms. Janet P. Kennedy
Vice-President, Regulatory Affairs & Gas Supply
Pacific Northern Gas Ltd.
2550-1066 West Hastings Street
Vancouver, BC V6E 3X2
jkennedy@png.ca

Re: Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd - Amendment to 2017/18 Annual Gas Contracting Plan

Dear Ms. Kennedy:

On November 3, 2017, Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd. (PNG) filed on a confidential basis an amendment to its Annual Gas Contracting Plan for the period from November 2017 to October 2018 (2017/18 ACP). PNG's 2017/18 ACP was accepted by the British Columbia Utilities Commission (Commission) through L-18-17, dated August 3, 2017. PNG's 2017/18 ACP outlines plans to meet the natural gas requirements for PNG's service areas, including PNG-West (west of Summit Lake) and Pacific Northern Gas (N.E.) Ltd.

The amendment contains PNG's plan to enter into a bid in the November 2017 capacity posting for firm transportation capacity from Compressor Station No. 2 (CS2) to Summit Lake commencing November 1, 2018 and to recover the cost of this capacity from sales customers in the PNG-West service area.

The Commission accepts PNG's amendment to its 2017/18 ACP.

PNG is requested to file a written update informing the Commission of the outcome of the bid within 15 days of the date that PNG is notified of the outcome of the bid process. If PNG is successful in contracting capacity, this update should include: the contracted capacity in $10^3\text{m}^3/\text{d}$, MMcf/d and GJ/d units; the annual cost; the start date; the end date; the date of renewal and any other relevant information.

If PNG is successful, PNG should include with the quarterly gas cost report for when PNG intends to begin recovering the cost:

- a request for approval to recover the costs; and
- a discussion regarding the recovery of the cost for this contracted capacity and an explanation, with figures, of how the cost is incorporated into the PNG-West gas costs.

The Commission will hold the amendment to the 2017/18 ACP and associated documents confidential as requested by PNG as they contain market sensitive information.

Sincerely,

Original signed by Ian Jarvis on behalf of:

Patrick Wruck
Commission Secretary

ES/kn