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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER F-17-08**

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

and

Application for Participant Assistance/Cost Awards ("PACA")
regarding the Pacific Northern Gas (N.E.) Ltd.
(Fort St. John/Dawson Creek and Tumbler Ridge Divisions)
2008 Revenue Requirements and Rates Application

BEFORE: L.A. O'Hara, Commissioner June 6, 2008

O R D E R

WHEREAS:

- A. On October 10, 2007, Pacific Northern Gas (N.E.) Ltd. ("PNG (N.E.)") Fort St. John/Dawson Creek ("FSJ/DC") and Tumbler Ridge ("TR") Divisions filed for approval of its 2008 Revenue Requirements Application ("the Application") to amend its rates on a permanent basis, effective January 1, 2008, pursuant to Section 58 of the Utilities Commission Act ("the Act"); and
- B. PNG (N.E.) FSJ/DC Division projects a revenue deficiency of approximately \$750,000 for the 2008 test year primarily due to higher cost of service in 2008. PNG (N.E.) estimates the average delivery charge rate increases for residential customers in the Fort St. John and Dawson Creek service areas are 7.5 percent and 8.1 percent, respectively. The average delivery charge rate increases for small commercial customers for the two service areas are 6.9 percent and 9.2 percent, respectively; and
- C. PNG (N.E.) TR Division projects a revenue sufficiency of approximately \$23,000 for the 2008 test year primarily due to lower cost of service in 2008. The Application proposes to decrease the gas delivery charge in rates for all customers of the PNG (N.E.) TR Division. PNG (N.E.) estimates the average delivery charge rate decreases for residential customers and small commercial customers are 2.1 percent and 2.0 percent, respectively, in the Tumbler Ridge service area; and
- D. By Order No. G-128-07 dated October 17, 2007 the Commission established a Preliminary Regulatory Timetable and allowed for Intervenor's written submission on the review process; and
- E. The Commission by Order No. G-134-07 dated November 6, 2007 confirmed the Preliminary Regulatory Timetable as permanent and established a Negotiated Settlement Process for the Application; and
- F. By Letter No. L-93-07 dated November 22, 2007 the Commission established the return on common equity ("ROE") for a low-risk benchmark utility for the year 2008; and

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- G. On November 23, 2007 PNG (N.E.) provided an update to its Application that revised the FSJ/DC Division revenue deficiency to \$802,000 and the TR Division revenue sufficiency to \$44,000. The update included the approved 2008 ROE for each Division; and
- H. The Negotiated Settlement discussions were held in Vancouver on November 27 and 28, 2007. A Negotiated Settlement Agreement was reached among the participants and circulated to all Registered Intervenors and the Commission on December 7, 2007. No comments were received from the Intervenors who had not participated in the Negotiated Settlement discussions; and
- I. By Order No. G-168-07 dated December 19, 2007, the Commission approved Negotiated Settlement Agreement for PNG(N.E.)'s 2008 Revenue Requirements as issued on December 7, 2007; and
- J. On December 19, 2007, the BC Old Age Pensioners Organization *et al.* ("BCOAPO") applied for a cost award regarding its participation in the negotiated settlement process; and
- K. The Commission has reviewed the application for cost awards with regard to the criteria and rates set out in Order No. G-72-07.

NOW THEREFORE pursuant to Section 118(1) of the Act, the Commission awards \$4,044.75 to BCOAPO for its participation in the PNG(N.E.) 2008 Revenue Requirements negotiated settlement process.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of June 2008.

BY ORDER

Original signed by

Liisa A. O'Hara
Commissioner