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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-131-13**

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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.
Application for Approval of 2013 Revenue Requirements
for the Fort St. John/Dawson Creek and Tumbler Ridge Divisions**

BEFORE: D.A. Cote, Panel Chair/Commissioner
C.A. Brown, Commissioner August 23, 2013
C. van Wermeskerken, Commissioner

O R D E R

WHEREAS:

- A. On November 30, 2012 Pacific Northern Gas (N.E.) Ltd. [PNG (N.E.)] filed its 2013 Revenue Requirements Application (RRA) for the Fort St. John/Dawson Creek (FSJ/DC) and Tumbler Ridge (TR) Divisions with the British Columbia Utilities Commission (Commission), pursuant to sections 58 to 61 of the *Utilities Commission Act* (Act) (Application). The Applications seeks Commission approval to, among other things, increase delivery rates for FSJ/DC and decrease delivery rates for TR. On the same date, Pacific Northern Gas Ltd. (PNG) filed its 2013 RRA for the West Division;
- B. PNG(N.E.) also seeks interim relief in the Application, pursuant to sections 58 to 61, 89 and 90 of the Act, to allow PNG(N.E.) to amend its rates on an interim and refundable basis, effective January 1, 2013, pending the hearing of the Application and orders subsequent to that hearing;
- C. Commission Order G-193-12, dated December 14, 2012, approved the delivery rates and the Rate Stabilization Adjustment Mechanism (RSAM) rider set forth in the Application on an interim basis, effective January 1, 2013, and established a Preliminary Regulatory Timetable for the review of the Application;
- D. Commission Order G-4-13, dated January 15, 2013, established an Amended Preliminary Regulatory Timetable to allow Interveners and Commission staff sufficient opportunity to review the 2013 Shared Services Cost Allocation from PNG to PNG(N.E.) in the context of both the Application and the PNG 2013 RRA for the West Division;

- E. The Peace River Regional District (PRRD) and British Columbia Pensioners' and Seniors Organization et al. (BCPSO) registered as Interveners and BCPSO actively participated in the proceeding;
- F. On March 4, 2013 PNG(N.E.) filed an updated Application, which forecasts a revenue deficiency of \$0.198 million for FSJ/DC, down from \$0.274 million in the original Application, and a revenue sufficiency of \$0.041 million for TR, down from \$0.098 million in the original Application (collectively, the Application). The 2013 cost of service includes a decrease in cost of service of \$509,000 and \$108,000 for FSJ/DC and TR, respectively, to account for the difference between the revenue deficiency that supported the interim rates effective January 1, 2012 and the approved 2012 revenue sufficiency for FSJ/DC and the approved 2012 revenue deficiency for TR;
- G. Commission Order G-43-13, dated March 20, 2013, established that the Application would be heard through a public written hearing process;
- H. The Commission considered the Application, the evidence and the written arguments as set forth and discussed in the Decision issued concurrently with this Order.

NOW THEREFORE the Commission, for the reasons stated in the Decision issued concurrently with this order, makes the following determinations:

1. Pursuant to sections 59 to 61 of the *Utilities Commission Act*:
 - a. The 2013 revenue deficiency of \$0.198 million for the Fort St. John/Dawson Creek Division and the 2013 revenue sufficiency of \$0.041 million for the Tumbler Ridge Division are not approved, as filed.
 - b. The 2013 Rate Stabilization Adjustment Mechanism rider of \$0.004/GJ for the Fort St. John/Dawson Creek Division and \$0.233 for the Tumbler Ridge Division are approved, as filed.
2. Pacific Northern Gas (N.E.) Ltd. must resubmit its financial schedules incorporating all the adjustments outlined in the Decision, on or before September 23, 2013. The financial schedules must incorporate all of the adjustments identified by Pacific Northern Gas (N.E.) Ltd. in response to Information Requests in this proceeding.
3. The Commission will accept amended Tariff Rate Schedules filed on or before September 23, 2013 which conform to determinations made in the Decision.
4. Pacific Northern Gas (N.E.) Ltd. is to inform all customers of permanent rates by way of written notice included with their next customer invoice.

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5. If the 2013 permanent rates, including delivery rates and the Rate Stabilization Adjustment Mechanism rider, are less than the 2013 interim rates, Pacific Northern Gas (N.E.) Ltd. is to refund to customers the difference in revenue with interest at the average prime rate of Pacific Northern Gas (N.E.) Ltd.'s principal bank for its most recent year. If the 2013 permanent rates exceed the 2013 interim rates, Pacific Northern Gas (N.E.) Ltd. is to reflect this difference in customer rates over the balance of 2013.
6. Pacific Northern Gas (N.E.) Ltd. is directed to comply with all other directives in the Decision issued concurrently with this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of August, 2013.

BY ORDER

Original signed by:

D.A. Cote
Panel Chair/Commissioner