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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-209-13**

TELEPHONE: (604) 660-4700
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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 2014 Revenue Requirements
for the PNG (N.E.) Service Area**

BEFORE: Dennis Cote, Commissioner December 5, 2013

O R D E R

WHEREAS:

- A. On November 29, 2013, Pacific Northern Gas (N.E.) Ltd. [PNG (N.E.)] Fort St. John/Dawson Creek (FSJ/DC) and Tumbler Ridge (TR) Divisions filed their 2014 Revenue Requirements Application with the British Columbia Utilities Commission (Commission), pursuant to sections 58 to 61 of the *Utilities Commission Act* (UCA), seeking Commission approval to, among other things, increase its delivery rates for PNG (N.E.) FSJ/DC and for PNG (N.E.)TR (Application);
- B. The Application also seeks interim relief pursuant to sections 58 to 61, 89 and 90 of the UCA to allow PNG (N.E.) to amend its rates on an interim and refundable basis, effective January 1, 2014, pending the hearing of the Application and orders subsequent to that hearing. The interim relief is sought on the basis that on January 1, 2014 PNG (N.E.)'s rates would otherwise no longer be fair, just and not unduly discriminatory;
- C. PNG (N.E.)'s FSJ/DC Division forecasts a 2014 revenue deficiency of approximately \$0.424 million comprised of a net increase in cost of service of \$1.250 million and an increase in margin of \$0.826 million;
- D. PNG (N.E.)'s FSJ Division seeks Commission approval to increase the delivery charge for residential service by \$0.128/GJ from \$3.486/GJ to \$3.614/GJ representing an increase of 3.7 percent compared to the 2013 delivery rate, and for small commercial service by \$0.088/GJ from \$2.856/GJ to \$2.944/GJ corresponding to an increase of 3.1 percent compared to the 2013 delivery rate;
- E. PNG (N.E.)'s DC Division seeks Commission approval to increase the delivery charge for residential service by \$0.128/GJ from \$3.288/GJ to \$3.416/GJ representing an increase of 3.9 percent compared to the 2013 delivery rate, and for small commercial service by \$0.088/GJ from \$2.319/GJ to \$2.407/GJ corresponding to an increase of 3.8 percent compared to the 2013 delivery rate;
- F. The PNG (N.E.)TR Division forecasts a 2014 revenue deficiency of approximately \$0.239 million comprised of an increase in cost of service of \$0.239 million and no changes in margin;

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- G. The PNG (N.E.) TR Division seeks Commission approval to increase the delivery charge for residential service by \$1.163/GJ from \$5.805/GJ to \$6.968/GJ representing an increase of 20.0 percent compared to the 2013 delivery rate, and for small commercial service an increase by \$0.861/GJ from \$4.941/GJ to \$5.802/GJ corresponding to an increase of 17.4 percent compared to the 2013 delivery rate;
- H. The Commission considers establishing a Preliminary Regulatory Timetable for the review of the Application, and allowing Interveners to make written submissions regarding the regulatory process to be followed, is necessary and in the public interest.

NOW THEREFORE pursuant to sections 58 to 61, 89 and 90 of the *Utilities Commission Act*, the Commission orders as follows:

1. The Commission approves for Pacific Northern Gas (N.E.) [PNG (N.E.)] the delivery rates and the Rate Stabilization Adjustment Mechanism (RSAM) rider set forth in the Application on an interim basis, effective January 1, 2014. Any differences between the 2014 interim and permanent delivery rates that are determined by the Commission following final disposition of the Application are subject to refund/recovery, with interest at the average prime rate of PNG (N.E.)'s principal bank for its most recent year, in the manner as set out by a Commission Order that establishes permanent rates.
2. The Preliminary Regulatory Timetable for the Application is as set out in Appendix A to this Order.
3. PNG (N.E.) is to provide a copy of this Commission Order, electronically where possible, to all parties who participated in the PNG (N.E.) 2013 Revenue Requirements Application proceedings.
4. PNG (N.E.) will publish in display-ad format, as soon as possible but no later than December 13, 2013, the Notice of Application attached as Appendix B to this Order, in such appropriate news publications as may properly provide adequate notice to the public in its service area.
5. The Commission will accept, subject to timely filing by PNG (N.E.), amended Gas Tariff Rate Schedules in accordance with the terms of this Order. PNG (N.E.) is to provide notice of the interim rates to customers via a bill message, to be reviewed in advance by Commission staff.

DATED at the City of Vancouver, in the Province of British Columbia, this 5th day of December 2013.

BY ORDER

Original signed by:

D.A. Cote
Commissioner

Attachments

Pacific Northern Gas (N.E.) Ltd.

Application for Approval of 2014 Revenue Requirements
for the PNG (N.E.) Service Area

PRELIMINARY REGULATORY TIMETABLE

| ACTION | DATES |
|--|----------------------------|
| Intervener and Interested Party Registration | Tuesday, December 31, 2013 |
| Commission Information Request No. 1 | Tuesday, January 28, 2014 |
| Intervener Information Request No. 1 | Tuesday, February 4, 2014 |
| PNG Responses to Commission and Intervener Information Request No. 1 | Tuesday, February 25, 2014 |
| Intervener Comments Regarding Regulatory Process | Friday, February 28, 2014 |



PUBLIC NOTICE

BRITISH COLUMBIA UTILITIES COMMISSION

PACIFIC NORTHERN GAS (N.E.) LTD. APPLICATION FOR APPROVAL OF 2014 REVENUE REQUIREMENTS FOR THE PNG (N.E.) SERVICE AREA

THE APPLICATION

On November 29, 2013, Pacific Northern Gas (N.E.) Ltd. [PNG (N.E.)] Fort St. John/Dawson Creek (FSJ/DC) and Tumbler Ridge (TR) Divisions filed their 2014 Revenue Requirements Applications with the British Columbia Utilities Commission (Commission), pursuant to sections 58 to 61, 89 and 90 of the *Utilities Commission Act* (UCA) seeking Commission approval to, among other things, increase delivery rates for PNG (N.E.) FSJ/DC and TR (Application). The Application also seeks interim relief to allow PNG (N.E.) to amend its rates on an interim and refundable basis, effective January 1, 2014, pending the hearing of the Application and orders subsequent to that hearing.

For the FSJ/DC Division, the delivery rate increase is estimated to be approximately \$0.128 per GJ for a residential customer. Based on the gas cost recovery and Gas Cost Variance Account (GCVA) rate riders effective October 1, 2013 thru December 31, 2013 the overall bundled rate increase for a typical residential customer consuming 107.4 GJ per year, is 1.4 percent, an increase of \$13 per year. The delivery rate increase for a small commercial customer is estimated to be \$0.088 per GJ. Similarly, based on the gas cost recovery and GCVA rate riders effective October 1, 2013 thru December 31, 2013, the overall bundled rate increase for a typical small commercial customer consuming 483.4 GJ per year is 1.1 percent or \$40 per year.

For the TR Division, the delivery rate increase is estimated to be approximately \$1.163 per GJ for a residential customer. Based on the gas cost recovery and GCVA rate riders effective October 1, 2013 thru December 31, 2013 the overall bundled rate increase for a typical residential customer consuming 79.5 GJ per year, is 12.2 percent, an increase of \$119 per year. The delivery rate increase for a small commercial customer is estimated to be \$0.861 per GJ. Similarly, based on the gas cost recovery and GCVA rate riders effective October 1, 2013 thru December 31, 2013, the overall bundled rate increase for a typical small commercial customer consuming 471.5 GJ per year is 18.4 percent or \$841 per year.

THE REGULATORY PROCESSES

The Commission wishes to hear from affected parties before determining the public process necessary for the disposition of the Application.

Commission Order G-209-13 establishes a Preliminary Regulatory Timetable for the review of the Application. The detailed Preliminary Regulatory Timetable can be reviewed on the Commission's website at www.bcuc.com under Current Applications.

PUBLIC INSPECTION OF THE APPLICATION

The Application and supporting material will be made available for inspection at public libraries in Fort St. John, Dawson Creek, and Tumbler Ridge, and at the Head Office of PNG (N.E.) at Suite 950, 1185 West Georgia Street, Vancouver, BC V6E 4E6, and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, BC V6Z 2N3.

The Application will also be available for viewing on the PNG website at www.png.ca, (www.png.ca/ir_utilities.cfm) and on the Commission's website at www.bcuc.com, which also contains detailed materials related to the Application including Commission Orders and Intervener materials.

REGISTERING TO PARTICIPATE

Persons who expect to actively participate in the review process must register as Interveners. Interveners will receive copies of the Application, all correspondence and filed documents. Persons not expecting to actively participate should register with the Commission as Interested Parties and will receive the Commission's Decision.

Interveners and Interested Parties should inform the Commission Secretary, in writing or by online web registration, by Tuesday, December 31, 2013 of their intention to become Interveners or Interested Parties with respect to the Application.

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission's website.

FURTHER INFORMATION

For further information, please contact Erica Hamilton, Commission Secretary, or Philip Nakoneshny, Director, Rates, as follows:

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