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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-195-14**

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

and

Pacific Northern Gas Ltd.
Application for Approval of 2015 Delivery Rates and RSAM Rider
PNG-West Division

BEFORE: C. A. Brown, Panel Chair/Commissioner
K. A. Keilty, Commissioner December 12, 2014
D. M. Morton, Commissioner

WHEREAS:

- A. On November 28, 2014, Pacific Northern Gas Ltd. (PNG) filed an application regarding 2015 Delivery Rates and Changes to the Revenue Stabilization Adjustment Mechanism (RSAM) rate rider for its West division (Application) with the British Columbia Utilities Commission (Commission), pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA);
- B. PNG requests to remove the credit amortization of the remaining balance of the Option Fee credit deferral account as directed by Order G-136-14, dated September 12, 2014. After taking into account this requested change, PNG forecasts a \$117,000 revenue deficiency for 2015 which would result in an increase of the delivery charge component of customer rates of approximately 0.4 percent for residential and commercial, excluding changes to the Company Use gas cost rate;
- C. PNG is seeking Commission approval to, among other things:
 - remove the amortization of \$0.9 million of the Option Fee credit deferral account as directed by Order G-136-14, in order to avoid a rate decrease for 2015;
 - retain the current delivery charge component of customer rates effective January 1, 2015 at the same level as the 2014 delivery charge component of customer rates, and to recover the forecast revenue deficiency of \$117,000 through amortization of \$117,000 of the Option Fee credit deferral account; and
 - increase the RSAM rate rider effective January 1, 2015 by \$0.354/GJ to \$0.452/GJ from \$0.098/GJ;

- D. PNG also seeks an interim order, pursuant to sections 89 and 90 of the UCA, to allow PNG to increase the RSAM rate rider for the West division, as applied for in the Application, on an interim and refundable basis, effective January 1, 2015, pending a final determination of the Application;
- E. PNG states in the Application that it will update its regulatory schedules for actual 2014 results and file an updated application for the West division proposing to recover the updated deficiency through the Option Fee credit deferral account (Updated Application).

NOW THEREFORE the Commission orders as follows:

Regulatory Timetable

1. Pacific Northern Gas Ltd. (PNG) will file an updated application for the West division (Updated Application). The deadline to file the Updated Application is set out in the Regulatory Timetable attached as Appendix A. A determination on further regulatory process will be made after PNG files its Updated Application for the West Division.
2. Interveners and interested parties should register their intention to intervene with the British Columbia Utilities Commission (Commission) via email or in writing, by the date established in the Regulatory Timetable attached as Appendix A. Interveners and interested parties should specifically state the nature of their interest in the Application, and identify generally the nature of the issues that they intend to pursue during the proceeding, and the nature and extent of their anticipated involvement in the Application.

Interim Rates

3. Pursuant to sections 89 and 90 of the *Utilities Commission Act (UCA)*, the Commission approves the retention of the current delivery charge component of customer rates, other than the Company Use gas cost rate, for the West division on an interim basis, effective January 1, 2015. The Company Use gas cost rate has been addressed by Order G-193-14.
4. Any differences between the interim and permanent delivery charge component of customer 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's principal bank for its most recent year, in the manner as set out by a Commission Order that establishes permanent rates.
5. Pursuant to sections 89 and 90 of the UCA, the Commission approves for PNG, the Revenue Stabilization Adjustment Mechanism (RSAM) rate rider set forth in the Application for the West division on an interim and refundable basis, effective January 1, 2015.

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6. Any differences between the interim and permanent RSAM rate rider 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's principal bank for its most recent year, adjusted through the RSAM rate rider.
7. Pursuant to section 61 of the UCA, PNG is directed to file amended tariff sheets for the West division, in accordance with the terms of this Order, within 15 business days of the date of this Order.

Notice

8. PNG is to provide a copy, electronically where possible, of this Commission Order including the Regulatory Timetable attached as Appendix A, to all parties who registered and/or participated in the PNG West 2014 Revenue Requirements Application proceedings.
9. PNG is to provide its customers in the West division with the Commission reviewed bill message notice of the interim RSAM rate rider with its next customer mailing.

DATED at the City of Vancouver, In the Province of British Columbia, this 12th day of December 2014.

BY ORDER

Original Signed By:

C. A. Brown
Panel Chair/Commissioner

Attachment

Pacific Northern Gas Ltd.
Application for Approval of 2015 Delivery Rates and RSAM Rider
West Division

REGULATORY TIMETABLE

ACTION	DATE (2015)
Intervener and Interested Party Registration Deadline	Monday, January 12
Submission of Updated Application Deadline	Monday, March 9