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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-87-14**

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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 2014 Revenue Requirements  
for the PNG-West Service Area**

**BEFORE:** D.A. Cote, Panel Chair/Commissioner  
C.A. Brown, Commissioner July 9, 2014  
C. van Wermeskerken, Commissioner

**O R D E R**

**WHEREAS:**

- A. On November 29, 2013, Pacific Northern Gas Ltd. (PNG) filed its 2014 Revenue Requirements Application with the British Columbia Utilities Commission (Commission) pursuant to sections 58 to 61 of the *Utilities Commission Act* (UCA) seeking, among other things, Commission approval to increase delivery rates. PNG also sought interim relief, pursuant to sections 58 to 61, 89 and 90 of the UCA, to allow PNG 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 (Application);
- B. Commission Order G-208-13 dated December 5, 2013, approved the delivery rates and the Rate Stabilization Adjustment Mechanism (RSAM) rider set forth in the Application on an interim and refundable basis, effective January 1, 2014, and established a Preliminary Regulatory Timetable for the review of the Application;
- C. The British Columbia Pensioners' and Seniors' Organization *et al.* (BCPSO) registered as Intervener and actively participated in the proceeding;
- D. By Order G-31-14, dated March 12, 2014, the Commission established that the Application would be heard through a Negotiated Settlement Process (NSP);
- E. On March 14, 2014, PNG filed an updated Application which forecasted a revenue deficiency of approximately \$0.330 million, down from \$0.916 million in the original Application;

- F. On May 12, 2014, the Commission issued a letter appointing a third party to act as the Facilitator of the NSP pursuant to section 28(1) of the *Administrative Tribunals Act*. The Commission also established that Commission staff would participate in separate roles: Active Participant, providing representation to ratepayer groups not actively participating in the review of the Application; and Advisor, providing technical information and factual support to the parties, as outlined in the NSP Policy, Procedures and Guidelines (NSP Guidelines) attached as Appendix A to Order G-11-12;
- G. By letter L-20-14, dated May 20, 2014, the Commission confirmed the date of the NSP and issued an Amended Regulatory Timetable;
- H. On June 3, 2014, the Commission issued a Summary of Issues for the NSP;
- I. The NSP discussions were held in Vancouver on June 9 and 10, 2014 and an agreement was reached on June 10, 2014. The Final Negotiated Settlement Agreement (NSA) was circulated to the participants on June 24, 2014;
- J. Letters of support for the NSA have been received from PNG, BCPSO and the Commission Staff Active Participant, all of whom participated in the NSP;
- K. On June 26, 2014, the NSP Facilitator filed the NSA and supporting documents with the Commission;
- L. The Commission has reviewed the NSA for PNG's 2014 Revenue Requirements, which will result in a revenue deficiency of approximately \$0.343 million, and considers that approval is warranted.

**NOW THEREFORE** pursuant to sections 59 to 61 of the *Utilities Commission Act*, the Commission orders as follows:

1. The Negotiated Settlement Agreement for the Pacific Northern Gas Ltd. 2014 Revenue Requirements Application, as issued on June 26, 2014, is approved and attached as Appendix A to this Order.
2. Pacific Northern Gas Ltd. must resubmit its financial schedules in a Compliance Filing for Commission review incorporating all of the adjustments outlined in the Negotiated Settlement Agreement within 30 business days of the issuance of this Order. In addition, the financial schedules must be updated to incorporate any corrections acknowledged by Pacific Northern Gas Ltd. in response to Information Requests in this proceeding.
3. Pacific Northern Gas Ltd. must inform all customers of permanent rates by way of written notice included in their next customer invoice.

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4. Pacific Northern Gas Ltd. shall refund to customers the difference in revenue between the 2014 interim rates and permanent rates, including delivery rates and the Rate Stabilization Adjustment Mechanism rider, with interest at the average prime rate of Pacific Northern Gas Ltd.'s principal bank for its most recent year. Pacific Northern Gas Ltd. must include its proposed process for refunding customers at the time it submits its Compliance Filing for Commission review.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 9<sup>th</sup> day of July 2014.

BY ORDER

*Original signed by:*

D.A. Cote  
Panel Chair/Commissioner

Attachment