



ORDER NUMBER
G-330-19A

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Pacific Northern Gas Ltd.
2020-2021 Revenue Requirements Application
for the PNG-West Division

BEFORE:

A. K. Fung, QC, Panel Chair
C. M. Brewer, Commissioner
M. Kresivo, QC, Commissioner

on December 18, 2019

ORDER

WHEREAS:

- A. On November 29, 2019, Pacific Northern Gas Ltd. (PNG) filed its 2020-2021 Revenue Requirements Application (RRA) with the British Columbia Utilities Commission (BCUC) for the West Division (PNG-West) pursuant to sections 58 to 61 of the *Utilities Commission Act* (UCA) (Application);
- B. In its Application, PNG seeks an order granting relief pursuant to sections 58 to 61, 89 and 90 of the UCA to allow PNG to amend its delivery rates and Revenue Stabilization Adjustment Mechanism (RSAM) on an interim and refundable/recoverable basis, effective January 1, 2020, pending the regulatory process for the review of the Application and orders subsequent to this process;
- C. PNG is seeking approval to increase delivery rates on an interim and refundable/recoverable basis for PNG-West to cover the forecast 2020 revenue deficiency for the following rate classes, among other rate classes:
 - 1. a 2.3 percent increase from \$12.098/GJ to \$12.377/GJ for Residential service;
 - 2. a 2.2 percent increase from \$10.198/GJ to \$10.420/GJ for Small Commercial service;
 - 3. a 2.9 percent increase from \$6.893/GJ to \$7.090/GJ for Granisle Propane service; and

PNG is also seeking approval for an increase in the RSAM rate rider on an interim and refundable/recoverable basis for PNG-West applicable to Residential, Small Commercial and Commercial Transport customers from a credit of \$0.327/GJ to a debit of \$1.095/GJ;

- D. PNG submits in its Application that it will seek approval of permanent 2020 and 2021 rates in the Amended Application to be filed at the end of February 2020;

- E. PNG proposes a written hearing process for the review of the Application; and
- F. The BCUC has commenced review of the Application and finds that a preliminary regulatory timetable should be established and that the setting of interim rates is warranted.

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

1. The delivery rates and the RSAM rate rider set forth in the Application are approved on an interim basis, effective January 1, 2020. Any differences between the interim and permanent rates that are determined by the BCUC 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 BCUC order that establishes permanent rates.
2. The preliminary regulatory timetable for the review of the Application is established, as set out in Appendix A to this order.
3. Interveners who wish to participate in the regulatory proceeding are to register with the BCUC by completing a [Request to Intervene Form](#), available on the BCUC's website under Get Involved, by the date established in the preliminary regulatory timetable and in accordance with the BCUC's Rules of Practice and Procedure attached to Order G-15-19.
4. PNG is to provide a copy, electronically where possible, of this order and accompanying appendices to all parties who participated in the PNG-West 2018–2019 RRA proceeding.
5. The Application and supporting material are to be made available for inspection at the following locations as soon as reasonably possible but no later than Friday, January 10, 2020: (1) public libraries in Prince Rupert, Terrace, Kitimat, Houston, Smithers, Burns Lake, Vanderhoof and Fort St. James; (2) the head office of PNG at Suite 750, 888 Dunsmuir Street, Vancouver, BC, V6C 3K4; and (3) the BCUC office at Suite 410, 900 Howe Street, Vancouver, BC, V6Z 2N3. PNG is to also make the Application available on its website at www.png.ca.
6. PNG is to publish in print/display-ad format, as soon as reasonably possible but no later than Friday, January 10, 2020, 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 the affected service area.
7. PNG is directed to include a notice of the approved interim rates with the next bill for each customer.
8. PNG must publish notice of this Application on its Twitter and Facebook social media platforms, as soon as reasonably possible but no later than Friday, January 10, 2020.
9. PNG must file its Amended Application on or before February 28, 2020, in the same format as the Amended Application filed as Exhibit B-1-1 in PNG-West 2018–2019 RRA proceeding.
10. PNG is directed to file in its Amended Application and in future RRAs, in addition to the information provided for the test period, the total project costs by year for any projects that span beyond the test period, along with those being requested over a particular test period.

11. PNG is directed to file amended tariff rate schedules, in accordance with the terms of this order, within 15 business days of the date of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of January 2020.

BY ORDER

Original signed by:

A. K. Fung, QC
Commissioner

Attachment

Pacific Northern Gas Ltd.
2020–2021 Revenue Requirements Application
for the PNG-West Division

REGULATORY TIMETABLE

Action	Date (2020)
PNG to provide Public Notice in print/display-ad format	Friday, January 10
PNG to publish notice on its Twitter and Facebook social media platforms	Friday, January 10
Intervener Registration	Friday, January 31
PNG to file Amended Application	Friday, February 28
BCUC Information Request (IR) No. 1 to PNG	Monday, March 23
Intervener IR No. 1 to PNG	Monday, March 30
PNG responses to BCUC and Intervener IR No. 1	Wednesday, April 15
BCUC and Intervener IR No. 2 to PNG	Friday, May 1
PNG responses to BCUC and Intervener IR No. 2	Wednesday, May 20
Further process	To be determined



We want to hear from you

Pacific Northern Gas Ltd. 2020–2021 Revenue Requirements Application

On November 29, 2019, Pacific Northern Gas Ltd. (PNG) filed its 2020–2021 Revenue Requirements (Rate) Application for the West Division with the British Columbia Utilities Commission (BCUC). The Rate Application contains several requests, including a request to increase the 2020 delivery rates and the Revenue Stabilization Adjustment Mechanism rate rider on an interim and refundable/recoverable basis.

The overall bundled increase is 10.5% (or \$130 based on average usage) per year for a residential customer, 11.9% (or \$537 based on average usage) per year for a small commercial customer, and 11.8% (or \$126 based on average usage) per year for Granisle residential propane customers.

These changes have been approved on an interim basis effective January 1, 2020. Any difference between the approved interim rates and permanent rates will be refunded to or recovered from PNG customers with interest at the time that the Panel makes its final decision on the Application.

PNG will seek permanent rate changes for 2020 and 2021 in an amended Rate Application, to be submitted to the BCUC for review in February 2020.

HOW TO PARTICIPATE

- **Submit a letter of comment**
- **Register as an interested party**
- **Request intervener status**

IMPORTANT DATE

Friday, January 31, 2020

Deadline to register as an intervener with the BCUC.

For more information on getting involved, please visit our website (www.bcuc.com/get-involved) or contact us at the information below.

GET MORE INFORMATION

Pacific Northern Gas Ltd.



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British Columbia Utilities Commission



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