



ORDER NUMBER
G-292-23

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

and

Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd.
Commodity Costs Consolidation

BEFORE:

T. A. Loski, Panel Chair
B. A. Magnan, Commissioner

On October 27, 2023

ORDER

WHEREAS:

- A. On April 21, 2023, Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd. (PNG(NE)) (collectively, PNG) filed an application to the British Columbia Utilities Commission (BCUC) to consolidate commodity-related charges across all service areas, including PNG-West, PNG-West Granisle (Granisle), PNG(NE) Tumbler Ridge (TR) and PNG(NE) Fort St. John and Dawson Creek (FSJ/DC) (Application);
- B. Pursuant to sections 58 to 61 of the *Utilities Commission Act* (UCA), PNG seeks BCUC approval of the following:
 - 1. the consolidation of commodity-related and other costs for all service areas, including Granisle propane and Tumbler Ridge division natural gas supply costs, and to establish a consolidated gas supply commodity charge common to all rate classes based on forecast annual demand;
 - 2. the consolidation of storage and transportation-related costs for all service areas, and to establish consolidated gas supply demand charges applicable to each rate class based on rate class peak day demand and forecast annual demand;
 - 3. to accumulate and track all commodity, storage and transportation-related costs in a common Gas Cost Variance Account (GCVA), and to establish a consolidated GCVA Company use rate rider and a consolidated GCVA commodity rate rider common to all rate classes; and
 - 4. to amend the rate schedules for service to Granisle propane customers to incorporate the consolidated GCVA Company use rate rider;
- C. PNG submits that the proposed commodity rate setting mechanisms will provide Granisle propane customers and Tumbler Ridge natural gas customers with greater rate stability and gas cost relief, while having minimal impacts to other customers in both PNG-West and PNG(NE) FSJ/DC service areas;

- D. By Order G-137-23, the BCUC established a regulatory timetable for review of the Application, which included public notice, intervenor registration, one round of BCUC and intervenor information requests and written final and reply arguments;
- E. The BC Sustainable Energy Association and the Residential Consumer Intervenor Association registered as intervenors in the proceeding;
- F. The BCUC has reviewed the Application, evidence and arguments filed by all parties in the proceeding and makes the following determinations.

NOW THEREFORE pursuant to sections 58 to 61 of the UCA and for the reasons provided in the decision issued concurrently with this order, the BCUC orders as follows:

- 1. PNG is approved to consolidate its natural gas and propane supply portfolio costs across its service areas as described in the Application, and to establish a consolidated gas supply commodity charge common to all rate classes.
- 2. PNG is approved to allocate consolidated storage and transportation costs across its service areas and to establish consolidated gas supply demand charges for each rate class as described in the Application.
- 3. PNG is approved to consolidate the PNG-West, Granisle, FSJ/DC and TR GCVA balances into a single account and to establish a consolidated GCVA Company use rate rider and a consolidated GCVA commodity rate rider common to all service areas and rate classes.
- 4. PNG is approved to charge customers in the Granisle service area the same Company use delivery rate rider as it charges its customers in the PNG-West service area.
- 5. PNG is directed to implement the approved changes in PNG's next quarterly Report on Gas Supply Costs, to be effective January 1, 2024.
- 6. PNG is directed to provide, as a compliance filing, calculation of the appropriate demand charge for Rate Schedule 7 prior to customers taking service under this rate schedule.

DATED at the City of Vancouver, in the Province of British Columbia, this 27th day of October 2023.

BY ORDER

Original signed by:

T. A. Loski
Commissioner