



ORDER NUMBER
G-96-24

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

and

Pacific Northern Gas Ltd.
2023 Rate Variance Deferral Account
and 2024 RSAM Rate Rider Implementation

BEFORE:

B. A. Magnan, Commissioner

on March 28, 2024

ORDER

WHEREAS:

- A. On February 21, 2024, Pacific Northern Gas Ltd. (PNG) filed its compliance filing of regulatory schedules related to Directive 10 of British Columbia Utilities Commission (BCUC) Order G-339-23. In the filing, PNG proposes to rename the 2023 Rate Variance deferral account to the 2023-2024 Rate Variance deferral account and record the actual 2024 year to date difference between the interim basic charges and delivery rates approved by Order G-297-23, effective January 1, 2024 and those approved by Order G-339-23, to this deferral account. In accordance with Order G-339-23, the disposition of this deferral account will be determined as part of the next revenue requirements application (RRA). PNG also proposes to add the 2024 Revenue Stabilization Adjustment Mechanism (RSAM) difference to the RSAM deferral account, with the disposition to be determined as part of the next RRA (altogether, Request);
- B. By Order G-372-22 dated December 16, 2022, the BCUC, among other things, approved PNG's basic charges, delivery rates and RSAM rate rider on an interim and refundable/recoverable basis, effective January 1, 2023;
- C. By Order G-297-23 dated October 31, 2023, the BCUC approved PNG's basic charges, delivery rates and RSAM rate rider on an interim and refundable/recoverable basis, effective January 1, 2024, with any differences between the interim and permanent rates that are determined by the BCUC, following final disposition of PNG's 2023-2024 RRA and the BCUC's final decision on Stage 2 of the Generic Cost of Capital proceeding, subject to refund/recovery;
- D. On December 11, 2023, the BCUC issued Decision and Order G-339-23 regarding PNG's 2023-2024 RRA for PNG, approving among other things, PNG's basic charges, delivery rates and RSAM rate rider that were previously approved on an interim basis by Order G-374-22 on a permanent basis, effective January 1, 2023;
- E. Directive 2 of Order G-339-23 directed PNG to establish a deferral account (the 2023 Rate Variance deferral account) to record the difference between the 2023 permanent delivery rates and basic charges and those based on PNG's compliance filing to reflect the adjustments summarized in Section 3.2 of PNG's final

argument, and the directives and determinations outlined in Order G-339-23 and the accompanying decision, with the disposition of this deferral account to be determined as part of the next RRA;

- F. Directive 3 of Order G-339-23 directed PNG to record the difference between the 2023 permanent RSAM rate rider and the RSAM rate rider as proposed in the 2023-2024 RRA as amended in the RSAM interest bearing deferral account, with the disposition of this difference to be determined as part of the next RRA;
- G. Directive 4 of Order G-339-23 directed PNG to update the 2024 interim basic charges, delivery rates and RSAM rate rider in its compliance filing to reflect the adjustments summarized in section 3.2 of its final argument, and the directives and determinations outlined in that order and the accompanying decision. PNG was further directed to include in its compliance filing, the mechanism to recover any difference between the 2024 interim rates approved by Order G-297-23 and the 2024 interim rates resulting from Order G-339-23 and the accompanying decision;
- H. Directive 10 of Order G-339-23 directed PNG to file its compliance filing, including the revised regulatory schedules, with the BCUC for endorsement within 75 days of that order; and
- I. The BCUC has reviewed the Request and considers that approval is warranted.

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

1. PNG is approved to rename the 2023 Rate Variance deferral account to the 2023–2024 Rate Variance deferral account and record the actual 2024 year to date difference between the interim basic charges and delivery rates approved by Order G-297-23 and those approved by Order G-339-23, to this deferral account. The disposition of the 2023-2024 Rate Variance deferral account will be determined as part of PNG's next RRA.
2. PNG is approved to add the year to date difference between the 2024 RSAM rate rider approved by Order G-297-23 and that approved by Order G-339-23 to the RSAM deferral account, with the disposition to be determined as part of PNG's next RRA.
3. PNG is directed to file revised tariff pages for endorsement within 15 days of the date of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of March 2024.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner