



**ORDER NUMBER  
G-311-24**

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

and

Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd.  
Amendments to the Interest Deferral Accounts

**BEFORE:**

B. A. Magnan, Commissioner

on November 25, 2024

**ORDER**

**WHEREAS:**

- A. On November 13, 2024, Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd. (collectively, PNG) applied to the British Columbia Utilities Commission (BCUC), pursuant to sections 59 to 61 of the *Utilities Commission Act*, seeking approval to amend their existing interest expense deferral mechanism to include the variances between forecasted and actual borrowing levels, including standby fees, for all PNG divisions (Application);
- B. PNG's existing Short Term Interest and Long Term Interest deferral accounts capture variances between actual and forecasted interest rates. However, PNG states that since the implementation of two-year revenue requirements applications and the significant increase in capital expenditure programs, there is uncertainty associated with forecasting the level and timing of borrowing requirements;
- C. PNG states that to October 2024, it has observed an overall significant positive variance in actual interest expense for 2024 compared to the forecast interest expense embedded in its 2024 delivery rates;
- D. PNG requests that the BCUC expedite its review of the Application for PNG to implement the deferral account in fiscal 2024 to pass the positive variance on to ratepayers. PNG also suggests that should the BCUC consider a more extensive review process to be warranted, the amendments to the Short Term Interest and Long Term Interest deferral accounts can be approved on an interim basis with further review to take place as part of its upcoming 2025 to 2026 revenue requirements application; and
- E. The BCUC has reviewed the Application and makes the following determinations.

**NOW THEREFORE** pursuant to sections 59 to 61 and 91 of the *Utilities Commission Act*, the BCUC orders as follows:

1. Effective the date of this order, PNG is approved on an interim basis to record interest expense variances related to forecast versus actual borrowing levels in the Short Term Interest and Long Term Interest deferral accounts, including any 2024 interest expense variances due to forecast versus actual borrowing levels to date.
2. PNG is directed to file an application for permanent approval of the amendments to the Short Term Interest deferral account and Long Term Interest deferral account for each division as part of its 2025 to 2026 revenue requirements application or as an evidentiary update.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 25<sup>th</sup> day of November 2024.

BY ORDER

*Electronically signed by Bernard Magnan*

B. A. Magnan  
Commissioner