



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-197-14**

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

Pacific Northern Gas (NE) Ltd.
2015 Revenue Requirements Application
for the Fort St. John/Dawson Creek Division

BEFORE: C. A. Brown, Commissioner
K. A. Keilty, Commissioner
D. M. Morton, Commissioner

December 15, 2014

O R D E R

WHEREAS:

- A. On November 28, 2014, Pacific Northern Gas (N.E.) Ltd. [PNG (NE)] filed its 2015 Revenue Requirements Application for the Fort St. John/Dawson Creek division (PNG (NE) FSJ/DC) with the British Columbia Utilities Commission (Commission) pursuant to sections 58 to 61, of the *Utilities Commission Act* (the UCA), seeking Commission approval to, among other things, increase the delivery charge component of customer rates for PNG (NE) FSJ/DC (Application);
- B. PNG (NE) forecasts a 2015 revenue deficiency for the FSJ/DC division of approximately \$0.553 million comprised of a net increase in cost of service of \$0.278 million and a decrease in margin of \$0.276 million;
- C. PNG (NE) is seeking approval to increase the delivery charge component of customer rates to cover the forecast 2015 revenue deficiency. The proposed increase in the delivery charge results in:
 1. a 4.9 percent increase from \$3.419/GJ to \$3.588/GJ for FSJ residential service and a 5.2 percent increase from \$3.221/GJ to \$3.390/GJ for DC residential service; and
 2. a 4.1 percent increase from \$2.793/GJ to \$2.907/GJ for FSJ small commercial service and a 5.1 percent increase from \$2.256/GJ to \$2.370/GJ for DC small commercial service;
- D. PNG (NE) forecasts an increase in the Revenue Stabilization Adjustment Mechanism (RSAM) credit rate rider applicable to residential and small commercial customers of \$0.046/GJ from \$0.022/GJ to \$0.068/GJ;

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- E. PNG (NE) also seeks an interim order, pursuant to sections 89 and 90 of the UCA, to allow PNG (NE) to increase the delivery charge component of customer rates and the RSAM credit rate rider, as applied for in the Application, on an interim and refundable basis, effective January 1, 2015, pending a final determination of the Application;
- F. PNG (NE) proposes that, to facilitate an efficient regulatory process, a workshop should be held and information requests should not be issued until after PNG (NE) files its updated application to reflect actual 2014 results (Updated Application); and
- G. The Commission has considered PNG (NE)'s proposed regulatory timetable and finds that an initial regulatory timetable should be established.

NOW THEREFORE the Commission orders as follows:

Regulatory Timetable

1. Pacific Northern Gas (N.E.) Ltd. [PNG (NE)] will file an updated application for the Fort St. John/Dawson Creek (FSJ/DC) division (Updated Application). The deadline to file the Updated Application is set out in the Regulatory Timetable attached as Appendix A. A determination on further regulatory process will be made after PNG (NE) files its Updated Application.
2. Interveners and interested parties should register their intention to intervene with the Commission via email or in writing, by the date established in the Regulatory Timetable attached as Appendix A. Interveners should specifically state the nature of their interest in the Application, and identify generally the nature of the issues that they intend to pursue during the proceeding and the nature and extent of their anticipated involvement in the Application.

Interim rates

3. Pursuant to sections 89 and 90 of the *Utilities Commission Act* (the UCA) the Commission approves the delivery rates component of rates, other than the Company Use gas cost rate, for the FSJ/DC division on an interim basis, effective January 1, 2015. The Company Use gas cost rate has been addressed by Order G-194-14.
4. Any differences between the interim and permanent delivery charge component of customer rates that are determined by the Commission following final disposition of the Application are subject to refund/recovery, with interest, at the average prime rate of PNG (NE)'s principal bank for its most recent year, in the manner as set out by a Commission Order that establishes permanent rates.

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5. Pursuant to sections 89 and 90 of the UCA the Commission approves for PNG (NE) FSJ/DC, the Revenue Stabilization Adjustment Mechanism (RSAM) rate rider set forth in the Application on an interim basis, effective January 1, 2015.
6. Any differences between the interim and permanent RSAM rate rider that are determined by the Commission following final disposition of the Application are subject to refund/recovery, with interest, at the average prime rate of PNG (NE)'s principal bank for its most recent year, adjusted through the RSAM rate rider.
7. Pursuant to section 61 of the UCA, PNG (NE) is directed to file amended tariff sheets for the FSJ/DC division, in accordance with the terms of this order, within 15 business days of the date of this order.

Notice

8. PNG (NE) is to provide a copy, electronically where possible, of this Commission order including the Regulatory Timetable attached as Appendix A, to all parties who registered and/or participated in the PNG (NE) 2014 Revenue Requirements Application proceeding.
9. The Application and supporting material will be made available for inspection at the head office of PNG (NE) at Suite 950, 1185 West Georgia Street, Vancouver, BC, V6E 4E6, and at the Commission, Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3. PNG (NE) will also make the Application available on its website at <http://www.png.ca>.
10. PNG (NE) will publish in display-ad format, as soon as practicable but no later than December 22, 2014, 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 its service area.
11. PNG (NE) is to provide its FSJ/DC customers with a Commission reviewed bill message notice of the interim rates with its next customer mailing.

DATED at the City of Vancouver, In the Province of British Columbia, this 15th day of December, 2014.

BY ORDER

Original signed by:

C. A. Brown
Commissioner

Attachments

Pacific Northern Gas (NE) Ltd.
2015 Revenue Requirements Application
for the Fort St. John/Dawson Creek Division

REGULATORY TIMETABLE

ACTION	DATE (2015)
Intervener and interested party registration	Monday, January 12
Submission of Updated Application	Monday, March 9

PUBLIC NOTICE

BRITISH COLUMBIA UTILITIES COMMISSION



PACIFIC NORTHERN GAS (NE) LTD. APPLICATION FOR APPROVAL OF 2015 REVENUE REQUIREMENTS FOR THE FORT ST. JOHN/DAWSON CREEK DIVISION

On November 28, 2014, Pacific Northern Gas (NE) Ltd. [PNG (NE)] filed its 2015 Revenue Requirements Application for the Fort St. John/Dawson Creek (FSJ/DC) division (Application) with the British Columbia Utilities Commission (Commission), pursuant to sections 58 to 61, 89 and 90 of the *Utilities Commission Act* (the UCA) seeking Commission approval to, among other things, increase the delivery charge component of customer rates. The Application also seeks interim relief to allow PNG (NE) to amend its rates on an interim and refundable basis, effective January 1, 2015, pending the hearing of the Application and orders subsequent to that hearing.

PNG (NE) is requesting a delivery rate increase of 4.9 percent from \$3.419/GJ to \$3.588/GJ for FSJ residential service, a 5.2 percent increase from \$3.221/GJ to \$3.390/GJ for DC residential service, a 4.1 percent increase from \$2.793/GJ to \$2.907/GJ for FSJ small commercial service, and a 5.1 percent increase from \$2.256/GJ to \$2.370/GJ for DC small commercial service.

Based on the gas cost recovery and Gas Cost Variance Account (GCVA) rate riders effective October 1, 2014 through December 31, 2014, the overall bundled rate increase for a typical residential customer consuming 105.8 GJ per year, is 1.2 percent, an increase of \$13 per year. The delivery rate increase for a small commercial customer is estimated to be \$0.114 per GJ. Similarly, the overall bundled rate increase for a typical small commercial customer consuming 491.5 GJ per year is 0.8 percent or \$34 per year.

PNG (NE) is also requesting an increase in the Revenue Stabilization Adjustment Mechanism (RSAM) credit rate rider applicable to residential and small commercial customers of \$0.046/GJ from \$0.022/GJ to \$0.068/GJ.

HOW TO GET INVOLVED

Persons wishing to actively participate in the proceeding must register as an intervener through the Commission's website at www.bcuc.com or in writing by Tuesday, January 6, 2015. Registrants must identify the issues they intend to pursue and indicate the extent of their anticipated involvement in the review process. Interveners will each receive a copy of all non-confidential correspondence and filed documentation, and must provide an email address if available.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as an interested party through the Commission's website or in writing, by Tuesday, January 6, 2015, identifying their interest in the proceeding. Interested parties receive an electronic copy of the decision when it is released.

Letters of comment can also be submitted on the application. All submissions and/or correspondence received relating to the application are provided to the panel and all participants in the proceeding. By participating and/or providing comment on the application, you agree that your submissions will be placed on the public record and posted on the Commission's website.

VIEW THE APPLICATION

The application and all supporting documentation are available on the Commission's website on the "Current Applications" page. If you would like to review the material in hard copy, it is available to be viewed at the locations below:

British Columbia Utilities Commission Sixth Floor, 900 Howe Street Vancouver, BC V6Z 2N3 Commission.Secretary@bcuc.com Phone: 604-660-4700 Toll Free: 1-800-663-1385	Pacific Northern Gas (NE) Ltd. Suite 950, 1185 West Georgia Street Vancouver, BC V6E 4E6 Phone: 604-691-5680
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FOR MORE INFORMATION OR TO REGISTER

For more information or to register please contact Ms. Erica Hamilton, Commission Secretary using the contact information above.