



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-168-12**

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

and

An Application by Pacific Northern Gas (N.E.) Ltd.
(Fort St. John/Dawson Creek and Tumbler Ridge Divisions)
for Approval of its 2012 Revenue Requirements
for the PNG (N.E.) Service Area

BEFORE: C.A. Brown, Commissioner

November 9, 2012

O R D E R

WHEREAS:

- A. On November 30, 2011, the Pacific Northern Gas (N.E.) Ltd. [PNG (N.E.)] Fort St. John/Dawson Creek (FSJ/DC) and Tumbler Ridge (TR) Divisions filed with the British Columbia Utilities Commission (Commission), its 2012 Revenue Requirements Application (RRA, Application) to among other things, amend its delivery rates pursuant to sections 58 to 61 of the *Utilities Commission Act* (Act);
- B. The Applicant, PNG (N.E.), also sought refundable interim relief pursuant to sections 58 to 61, 89 and 90 of the Act to allow PNG (N.E.) to amend its rates on an interim basis, effective January 1, 2012, pending the hearing of the Application and orders subsequent to that hearing, on the basis that on January 1, 2012, PNG (N.E.)'s rates would otherwise no longer be fair, just and not unduly discriminatory. Commission Order G-208-11 approved for PNG (N.E.) the delivery rates and the Rate Stabilization Adjustment Mechanism riders set forth in the Application on an interim basis, effective January 1, 2012. The Order also established a Preliminary Regulatory Timetable, a Workshop to review the issues in the Application, and invited registered Interveners to make submissions regarding the appropriate and formal review process for the Application;
- C. By letter dated January 4, 2012, the Commission proposed a draft regulatory timetable for the review of the Application and requested submissions regarding the draft regulatory timetable. In accordance with Commission Order G-208-11, a Workshop was held on January 12, 2012;

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- D. The Peace River Regional District (PRRD) and PNG (N.E.) submissions dated January 27, 2012 and January 31, 2012, supported a written hearing process for the review of the Application. The British Columbia Old Age Pensioners' Organization *et al.* (BCOAPO) [recently changed to British Columbia Pensioners' and Seniors' Organization] submission dated January 31, 2012, stated that a written process may be appropriate for the review of the Application, but it reserved the right to re-assess its position at the conclusion of the evidentiary stage. All Parties supported delaying the filing date of Information Request (IR) No. 1 until after PNG (N.E.) filed its updated Application;
- E. On March 15, 2012, PNG (N.E.) filed an Updated Application which forecasted revenue deficiencies of \$100,000 for the FSJ/DC Division and \$246,000 for the TR Division (Updated Application and the RRA are collectively referred to as the "Application"), down from \$331,00 for the FSJ/DC Division and \$323,000 for the TR Division in the Application filed on November 30, 2011;
- F. Commission Order G-12-12 established an Amended Regulatory Timetable for the review of the Application that included a request for Intervener submissions regarding the format of the proceeding following PNG (N.E.)'s responses to the second round of IRs and a draft written argument schedule;
- G. The Commission received submissions from PNG and the PRRD on May 18, 2012 and the BCOAPO on May 25, 2012, supporting a written hearing process for the review of the Application. Commission Order G-67-12 established a written hearing process for the review of the Application;
- H. The Commission has considered the Application, the evidence and the written Arguments as set forth and discussed in the Decision issued concurrently with this Order.

NOW THEREFORE the Commission for the reasons stated in the Decision, orders as follows:

1. Pursuant to sections 59 to 61 of the Act, the Commission does not approve the 2012 revenue deficiency of approximately \$100,000 for FSJ/DC and \$246,000 for TR, as filed in the schedules accompanying PNG (N.E.)'s Application.
2. PNG (N.E.) is directed to resubmit its financial schedules incorporating all the adjustments as outlined in the Decision, within 30 days of this Order.
3. If the 2012 permanent rates are less than the interim rates, PNG (N.E.) is to refund to customers the difference in revenue with interest at the average prime rate of the principal bank with which PNG (N.E.) conducts its business. If the 2012 permanent rates exceed the interim rates, PNG (N.E.) is to include the difference between the interim and approved rates in a non-rate base deferral account to be amortized in 2013.
4. PNG (N.E.) will file, on a timely basis, amended Gas Tariff Rate Schedules in accordance with this Order.

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5. PNG (N.E.) will inform all affected customers of the final rates by way of a customer notice.
6. PNG (N.E.) is directed to comply with all other directives in the Decision issued concurrently with this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of November 2012.

BY ORDER

Original signed by:

C.A. Brown
Commissioner