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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-42-13**

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

and

Pacific Northern Gas Ltd.
Application for Approval of 2013 Revenue Requirements
for the PNG-West Service Area

BEFORE: D.A. Cote, Panel Chair/Commissioner March 20, 2013

O R D E R

WHEREAS:

- A. On September 19, 2012, the British Columbia Utilities Commission (Commission) received a letter from Pacific Northern Gas Ltd. (PNG) requesting approval to, among other things, include the Cost Allocators and Level of Shared Services Cost Recovery Application (Shared Services Application) as part of the 2013 Revenue Requirements Application (2013 RRA). By way of letter dated October 18, 2012, the Commission approved the request to file the Shared Services Application as part of the 2013 RRA;
- B. On November 30, 2012, PNG filed its 2013 RRA with the Commission, pursuant to sections 58 to 61 of the *Utilities Commission Act* (Act) seeking, among other things, Commission approval to increase delivery rates as a result of increases in cost of service and decreased deliveries to some customer classes (Application). On the same date, Pacific Northern Gas (N.E.) Ltd. [PNG(N.E)] filed its 2013 RRA;
- C. The Application also seeks interim relief, pursuant to sections 58 to 61, 89 and 90 of the Act, to allow PNG to amend its rates on an interim and refundable basis, effective January 1, 2013, pending the hearing of the Application and orders subsequent to that hearing. The interim relief is sought on the basis that on January 1, 2013, PNG's rates would otherwise no longer be fair, just and not unduly discriminatory;
- D. PNG forecasts a 2013 revenue deficiency of approximately \$0.621 million comprised of a net increase in cost of service of \$0.544 million and a decrease in margin of \$0.076 million;
- E. The Application seeks Commission approval to increase the delivery charge for residential service by \$0.256/GJ from \$11.576/GJ to \$11.832/GJ, representing an increase of 2.2 percent compared to the 2012 delivery rate, for small commercial service by \$0.203/GJ from \$9.803/GJ to \$10.006/GJ corresponding to an increase of 2.1 percent compared to the 2012 delivery rate, and for Granisle propane service by \$0.167/GJ from \$6.486/GJ to \$6.653/GJ corresponding to an increase of 2.6 percent compared to the 2012 delivery rate;

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-42-13

2

- F. By way of Order G-192-12, the Commission approved for PNG the delivery rates and the Rate Stabilization Adjustment Mechanism (RSAM) rider set forth in the Application on an interim basis, effective January 1, 2013, and established a Preliminary Regulatory Timetable for the review of the Application. The Order set the filing deadline for Intervener submissions on the regulatory process at Wednesday, February 20, 2013;
- G. By way of Order G-3-13, the Commission established an Amended Preliminary Regulatory Timetable in order to allow Interveners and Commission staff sufficient opportunity to review the 2013 Shared Services Cost Allocation to PNG(N.E) in the context of both the Application and the PNG(N.E.) 2013 RRA;
- H. By way of letter dated February 20, 2013, the British Columbia Pensioners' and Seniors Organization *et al.* (BCPSO) provided submissions on the regulatory process (BCPSO Submissions). BCPSO submits that they do not support a negotiated settlement process and that they suggest a written hearing process;
- I. By way of letter dated March 7, 2013, the Commission requested written comments from PNG on the BCPSO Submissions;
- J. On March 11, 2013, the Commission received written comments from PNG stating that "...PNG had recommended that the Applications be settled under a negotiated settlement process, but is amenable to proceed with a written hearing process";
- K. The Commission has considered the submissions on the regulatory process received from PNG and BCPSO, which do not include any objections to a written hearing process.

NOW THEREFORE the Commission orders as follows:

- 1. The Pacific Northern Gas Ltd. 2013 Revenue Requirements Application will be reviewed by way of a written public hearing.
- 2. The Further Amended Regulatory Timetable for the review of the 2013 Revenue Requirements Application is set out in Appendix A to this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 20th day of March 2013.

BY ORDER

Original signed by:

D.A. Cote
Panel Chair/Commissioner

Attachment

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**FURTHER AMENDED
REGULATORY TIMETABLE**

ACTION	DATE (2013)
Commission and Intervener Information Requests No. 2	Friday, March 15
Commission and Intervener Information Requests No. 2 regarding PNG Shared Service Cost Recovery from PNG(N.E.)	Friday, March 22
PNG Responses to Commission and Intervener Information Requests No. 2	Monday, April 8
PNG Responses to Commission and Intervener Information Requests No. 2 regarding PNG Shared Service Cost Recovery from PNG(N.E.)	Friday, April 12
PNG Final Argument	Monday, April 22
Intervener Final Argument	Monday, May 6
PNG Reply Argument	Monday, May 13