



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-192-12**

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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
C.A. Brown, Commissioner December 14, 2012
C. van Wermeskerken, Commissioner

ORDER

WHEREAS:

- A. On November 30, 2012, Pacific Northern Gas Ltd. (PNG) filed its 2013 Revenue Requirements Application with the British Columbia Utilities Commission (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);
- B. 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;
- C. 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;
- D. 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;

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- E. The Commission considers establishing a Preliminary Regulatory Timetable for the review of the Application, and allowing Interveners to make written submissions regarding the regulatory process to be followed, is necessary and in the public interest.

NOW THEREFORE pursuant to sections 58 to 61, 89 and 90 of the Act the Commission orders as follows:

1. The Commission approves 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. Any differences between the 2013 interim and permanent delivery 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's principal bank for its most recent year, in the manner as set out by a Commission Order that establishes permanent rates.
2. The Preliminary Regulatory Timetable for the Application is as set out in Appendix A to this Order.
3. PNG is to provide a copy of this Commission Order, electronically where possible, to all parties who participated in the PNG 2012 Revenue Requirements Application proceedings, as well as large industrial customers.
4. PNG will publish in display-ad format, as soon as possible but no later than December 31, 2012, 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 areas.
5. The Commission will accept, subject to timely filing by PNG, amended Gas Tariff Rate Schedules in accordance with the terms of this Order. PNG is to provide notice of the interim rates to customers via a bill message, to be reviewed in advance by Commission Staff.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of December 2012.

BY ORDER

Original signed by:

D.A. Cote
Panel Chair/Commissioner

Attachments

PACIFIC NORTHERN GAS LTD.
Application for Approval of 2013 Revenue Requirements
for the PNG-West Service Area

PRELIMINARY REGULATORY TIMETABLE

ACTION	DATE (2013)
Intervener and Interested Party Registration	Friday, January 18
Commission Information Request No. 1	Friday, January 25
Intervener Information Request No. 1	Friday, February 1
Participant Assistance / Cost Award Budgets	Friday, February 8
PNG Responses to Commission and Intervener Information Request No. 1	Friday, February 15
Intervener Comments Regarding Regulatory Process	Wednesday, February 20
PNG Files Updated Application	Thursday, February 28
Commission and Intervener Information Request No. 2	Friday, March 15
PNG Responses to Commission and Intervener Information Request No. 2	Monday, April 8



PACIFIC NORTHERN GAS LTD.
Application for Approval of 2013 Revenue Requirements
for the PNG-West Service Area

**NOTICE OF REVENUE REQUIREMENTS
APPLICATION**

THE APPLICATION

On November 30, 2012, Pacific Northern Gas Ltd. (PNG) filed its 2013 Revenue Requirements Application with the British Columbia Utilities Commission (Commission), pursuant to sections 58 to 61, 89 and 90 of the *Utilities Commission Act* (Act) seeking Commission approval to, among other things, increase delivery rates as a result of increases in cost of service and decreased deliveries to some customer classes (Application). The Application also seeks interim relief 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 delivery rate increase is estimated to be approximately \$0.256 per GJ for a residential customer. This represents an increase of 2.2 percent compared to the 2012 delivery rate. The delivery rate increase for a small commercial customer is estimated to be \$0.203 per GJ corresponding to an increase of 2.1 percent compared to the 2012 delivery rate. The Granisle propane delivery rate increase for a residential customer is estimated to be \$0.167 per GJ corresponding to an increase of 2.6 percent compared to the 2012 delivery rate.

Based on the gas cost recovery and GCVA rate riders effective November 1, 2012 thru December 31, 2012 the overall average bundled rate increase for a typical residential customer consuming 68.2 GJ per year, is 4.4 percent, an increase of \$54 per year. Similarly, for a small commercial customer consuming 314.0 GJ per year, the increase is 4.8 percent or \$230 per year and for Granisle propane customers consuming 56.0 GJ per year the overall average bundled rate increase is 0.7 percent, an increase of \$9 per year.

THE REGULATORY PROCESS

The Commission wishes to hear from affected parties before determining the public process necessary for the disposition of the Application.

Commission Order G-192-12 establishes a Preliminary Regulatory Timetable for the review of the Application. The detailed Preliminary Regulatory Timetable can be reviewed on the Commission's website at www.bcuc.com under Current Applications.

PUBLIC INSPECTION OF THE APPLICATION

The Application and supporting material will be made available for inspection at public libraries in Prince Rupert, Terrace, Kitimat, Houston, Smithers, Burns Lake, Vanderhoof and Fort St. James, and at the Head Office of PNG at Suite 950, 1185 West Georgia Street, Vancouver, BC, V6E 4E6, and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3.

The Application will also be available for viewing on the PNG website at www.png.ca, (www.png.ca/ir_utilities.cfm) and on the Commission's website at www.bcuc.com. The Commission's website also contains detailed materials related to the Application including Commission Orders and Intervener materials (<http://www.bcuc.com/Proceeding.aspx?ApplicationType=Current>).

REGISTERING TO PARTICIPATE

Persons who expect to actively participate in the review process should register as Interveners. Interveners will receive copies of the Application, all correspondence and filed documents. Persons not expecting to actively participate should register with the Commission as Interested Parties and will receive a copy of the Application's Executive Summary, all Orders issued, as well as the Commission's Decision.

Interveners and Interested Parties must inform the Commission Secretary, in writing or by online web registration, by Friday, January 18, 2013 of their intention to become Interveners or Interested Parties with respect to the Application.

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission's web site.

FURTHER INFORMATION

For further information, please contact Erica Hamilton, Commission Secretary, or Philip Nakoneshny, Director, Rates, as follows:

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