



SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-114-13**

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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 August 1, 2013
C. van Wermeskerken, Commissioner

O R D E R

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, approval to increase delivery rates. PNG also sought 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 (Application);
- B. Commission Order G-192-12, dated December 14, 2012, approved 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;
- C. Commission G-3-13, dated January 15, 2013, established an Amended Preliminary Regulatory Timetable 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;
- D. The Peace River Regional District (PRRD) and British Columbia Pensioners' and Seniors Organization et al. (BCPSO) registered as Interveners and BCPSO actively participated in the proceeding;
- E. On March 4, 2013, PNG filed an updated Application which forecasts a revenue deficiency of approximately \$0.454 million, down from \$0.621 million in the original Application (collectively, the Application) which the Commission established by Order G-42-13 would be heard through a written hearing process;

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- F. The Commission 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 issued concurrently with this order, makes the following determinations:

1. Pursuant to sections 59 to 61 of the *Utilities Commission Act*:
 - a. The 2013 revenue deficiency of approximately \$0.454 million is not approved, as filed.
 - b. The 2013 Rate Stabilization Adjustment Mechanism rider of (\$0.269)/GJ is approved, as filed.
2. Pacific Northern Gas Ltd. must resubmit its financial schedules incorporating all the adjustments outlined in the Decision, on or before September 3, 2013. The financial schedules must incorporate all of the adjustments identified by Pacific Northern Gas Ltd. in response to Information Requests in this proceeding.
3. The Commission will accept amended Tariff Rate Schedules filed on or before September 3, 2013 which conform to determinations made in the Decision.
4. Pacific Northern Gas Ltd. is to inform all customers of permanent rates by way of written notice included with their next customer invoice.
5. If the 2013 permanent rates, including delivery rates and the Rate Stabilization Adjustment Mechanism rider, are less than the 2013 interim rates, Pacific Northern Gas Ltd. is to refund to customers the difference in revenue with interest at the average prime rate of Pacific Northern Gas Ltd.'s principal bank for its most recent year. If the 2013 permanent rates exceed the 2013 interim rates, Pacific Northern Gas Ltd. is to reflect this difference in customer rates over the balance of 2013.
6. Pacific Northern Gas Ltd. 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 1st day of August 2013.

BY ORDER

Original Signed by:

D.A. Cote
Panel Chair/Commissioner