



ORDER NUMBER
G-306-20

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Pacific Northern Gas (N.E.) Ltd.
2020-2021 Revenue Requirements Application
for the Fort St. John/Dawson Creek and Tumbler Ridge Divisions
Compliance Filing of Regulatory Schedules in Accordance with Order G-263-20

BEFORE:

A. K. Fung, QC, Panel Chair/Commissioner

on December 1, 2020

ORDER

WHEREAS:

- A. On November 29, 2019, Pacific Northern Gas (NE) Ltd. [PNG(NE)] filed its 2020-2021 Revenue Requirements Application (RRA) with the British Columbia Utilities Commission (BCUC) for the Fort St. John/Dawson Creek (FSJ/DC) and Tumbler Ridge (TR) Divisions pursuant to sections 58 to 61, 89 and 90 of the *Utilities Commission Act* (UCA);
- B. By Order G-331-19, the BCUC, among other things, approved PNG(NE)'s delivery rates and Rate Stabilization Adjustment Mechanism (RSAM) rate rider on an interim and refundable/recoverable basis effective January 1, 2020;
- C. British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and Tenants Resource and Advisory Centre (BCOAPO) participated as the sole intervener in the 2020-2021 RRA proceeding;
- D. On February 28, 2020, PNG(NE) filed its amended application for approval of 2020 and 2021 delivery rates and RSAM rate rider on a permanent basis (Application);
- E. By Order G-263-20 and accompanying decision the BCUC approved the 2020 and 2021 delivery rates and RSAM rate rider filed in the Application on a permanent basis subject to the adjustments identified by PNG(NE) during the regulatory process and to the directives and determinations in the decision (Decision);
- F. On November 17, 2020, PNG(NE) filed its revised regulatory schedules in accordance with Directive 13 of Order G-263-20, which reflect the directives and determinations outlined in the Decision (Compliance Filing). As part of the Compliance Filing, PNG(NE) requests approval for an alternative treatment of the 2020 delivery rates and 2020 RSAM rate rider from that approved by the Decision as follows:

1. PNG(NE) requests approval for the FSJ/DC and TR Divisions, to make the 2020 interim delivery rates approved by Order G-331-19 permanent and to refund the difference between the 2020 interim delivery rates and the 2020 delivery rates as calculated in the financial schedules of the Compliance Filing (2020 Calculated Delivery Rates) to the customers of each division by way of a rate refund rider that would apply to 2021 deliveries; and
 2. PNG(NE) requests approval for the FSJ/DC and TR Divisions, to make the 2020 interim RSAM rate rider approved by Order G-331-19 permanent and to record for each division the difference between the 2020 interim RSAM rate rider and the 2020 RSAM rate rider as calculated in the financial schedules of the Compliance Filing (2020 Calculated RSAM rate rider) in the RSAM interest bearing deferral account for amortization in 2021.
- G. On November 23, 2020, the BCUC established a procedural timetable and invited BCOAPO to provide comments on PNG(NE)'s proposed treatment of the 2020 delivery rates and 2020 RSAM rate rider and for PNG(NE) to reply. After receiving clarification on certain items in the Compliance Filing, BCOAPO supported PNG(NE)'s requests by letter filed with the BCUC on November 30, 2020; and
- H. The BCUC reviewed the Compliance Filing and the comments received from BCOAPO and PNG(NE) and considers that a variance of Order G-263-20 is warranted.

NOW THEREFORE pursuant to section 99 of the *Utilities Commission Act*, the BCUC orders that Order G-263-20 be varied as follows:

1. Directive 1 of Order G-263-20 is varied to read:

PNG(NE)'s 2020 interim delivery rates approved by Order G-331-19 are approved as permanent, effective January 1, 2020.

2. Directive 2 of Order G-263-20 is varied to read:

PNG(NE)'s 2020 RSAM rate rider approved on an interim basis by Order G-331-19 is approved as permanent, effective January 1, 2020.

3. Directive 15 of Order G-263-20 is varied to read:

For the FSJ/DC and TR Divisions, PNG(NE) is directed to refund the difference between the 2020 permanent delivery rates and the 2020 Calculated Delivery Rates through a rate refund rider on 2021 deliveries with interest at the average prime rate of PNG(NE)'s principal bank for its most recent year. PNG(NE) is also directed to record for each of the divisions the difference between the 2020 permanent RSAM rate rider and the 2020 Calculated RSAM rate rider in the RSAM interest bearing deferral account for amortization in 2021.

DATED at the City of Vancouver, in the Province of British Columbia, this 1st day of December 2020.

BY ORDER

Original signed by:

A. K. Fung, QC
Commissioner