



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-37-13**

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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.
regarding Natural Gas Commodity Charges effective April 1, 2013
for the Fort St. John/Dawson Creek and Tumbler Ridge Service Areas

BEFORE: B.A. Magnan, Commissioner
C.A. Brown, Commissioner March 14, 2013
R.D. Revel, Commissioner
C. van Wermeskerken, Commissioner

O R D E R

WHEREAS:

- A. On March 7, 2013, Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] filed with the British Columbia Utilities Commission (Commission) its 2013 First Quarter Report on gas supply costs and Gas Cost Variance Account (GCVA) balances for its Fort St. John/Dawson Creek (FSJ/DC) and Tumbler Ridge Divisions, based on forecast natural gas prices using the average of five consecutive days forward gas price forecasts ending February 22, 2013 (Report);
- B. By Letter L-40-11, the Commission set out a guideline trigger mechanism and rate methodology (Guidelines) that have generally been adopted by natural gas and propane utilities including PNG(N.E.);
- C. For the FSJ/DC Division, the Report forecasts that the ratio of gas commodity cost recoveries at current rates to forecast gas commodity costs over the following 12 months would be 0.862 which is outside the established 0.95 to 1.05 dead band range and greater than the \$0.50/GJ minimum rate change threshold, and requests approval for the FSJ/DC Division to increase gas commodity rates effective April 1, 2013;
- D. PNG(N.E.) requests approval for the FSJ/DC Division to increase the GCVA commodity rate rider from \$nil/GJ to a debit rider of \$0.192/GJ and to decrease the Company Use GCVA gas cost credit rate rider from \$0.059/GJ to \$0.004/GJ, effective April 1, 2013;
- E. For the FSJ/DC Division, the current Company Use gas cost delivery rate and Company Use gas commodity price used for deferral accounting purposes were established by Order G-195-12;
- F. PNG(N.E.) requests approval for the FSJ/DC Division to maintain the current Company Use gas cost delivery rate of \$0.053/GJ and to maintain the Company Use gas commodity price of \$3.219/GJ used for price deferral accounting purposes effective April 1, 2013;
- G. With the changes in gas commodity rates and GCVA rate riders effective April 1, 2013, the net impact on a FSJ/DC residential customer is a rate increase of \$0.557/GJ;

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- H. For the Tumbler Ridge Division, the current gas commodity rate, GCVA commodity rate rider, Company Use GCVA gas cost rate rider, Company Use gas cost delivery rate, and Company Use gas commodity price were established by Order G-195-12;
- I. For the Tumbler Ridge Division, the Report forecasts that the ratio of gas commodity cost recoveries at current rates to forecast gas commodity costs over the following 12 months would be 0.955 which is within the established 0.95 to 1.05 dead band range, and requests no changes to the gas commodity rates for the Tumbler Ridge Division effective April 1, 2013;
- J. PNG(N.E.) recommends for the Tumbler Ridge Division to maintain the GCVA commodity credit rate rider of \$0.546/GJ and to maintain the current Company Use GCVA gas cost credit rate rider of \$0.054/GJ, effective April 1, 2013;
- K. PNG(N.E.) requests approval for the Tumbler Ridge Division to maintain the current Company Use gas cost delivery rate of \$0.26/GJ and to maintain the Company Use gas commodity price of \$3.142/GJ used for price deferral accounting purposes effective April 1, 2013;
- L. The Commission reviewed the Report and concludes that the rates requested in the Report should be approved, effective April 1, 2013.

NOW THEREFORE pursuant to section 61(4) of the *Utilities Commission Act* the Commission orders the following:

- 1. For the Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] Fort St. John/Dawson Creek (FSJ/DC) Division, the Commission approves increasing the gas commodity charges to \$3.338/GJ, \$3.347/GJ, \$3.246/GJ and \$3.203/GJ for the residential (RS1), small commercial (RS2), large commercial firm (RS3) and small industrial sales (RS4) customers, respectively, effective April 1, 2013.
- 2. For the PNG(N.E.) FSJ/DC Division, the Commission approves changing the Gas Cost Variance Account (GCVA) commodity rate rider from \$nil/GJ to a debit rider of \$0.192/GJ and decreasing the Company Use GCVA gas cost credit rate rider from \$0.059/GJ to \$0.004/GJ, effective April 1, 2013.
- 3. For the PNG(N.E.) FSJ/DC Division, the Commission approves maintaining the Company Use gas cost delivery rate of \$0.053/GJ and maintaining the Company Use gas commodity price used for price deferral accounting purposes of \$3.219/GJ effective April 1, 2013.
- 4. For the PNG(N.E.) Tumbler Ridge Division, rates will remain unchanged effective April 1, 2013.
- 5. PNG(N.E.) must provide a descriptive explanation of the rate changes by way of a customer notice for all affected customers, to be submitted to the Commission in draft form prior to its release.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of March 2013.

BY ORDER

Original signed by:

B.A. Magnan
Commissioner