



ORDER NUMBER
G-145-21

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

and

Pacific Northern Gas (N.E.) Ltd.
Application for Approval of the 2019 Franchise Agreement between
Pacific Northern Gas (N.E.) Ltd. and the City of Fort St. John

BEFORE:

R. I. Mason, Panel Chair
W. M. Everett, QC, Commissioner
B. A. Magnan, Commissioner

on May 10, 2021

ORDER

WHEREAS:

- A. On December 10, 2019, Pacific Northern Gas (N.E.) Ltd. (PNG (N.E.)) applied to the British Columbia Utilities Commission (BCUC) for approval of a new franchise agreement (Proposed 2019 Franchise Agreement) between the City of Fort St. John and PNG (N.E.), pursuant to section 45(7) of the *Utilities Commission Act* (UCA) (Application);
- B. PNG (N.E.) (through its predecessor company Centra Gas Fort St. John Inc.) and the City of Fort St. John entered into a franchise agreement (1997 Franchise Agreement) dated December 8, 1997, approved by BCUC Order C-4-98, dated May 26, 1998. The 1997 Franchise Agreement expired on December 7, 2018;
- C. PNG (N.E.) submits that on December 3, 2018, PNG (N.E.) and the City of Fort St. John entered into interim operating arrangements to provide for the continued service to customers in the franchise area while the negotiation and approval of new franchise terms were conducted;
- D. By Order G-36-20, dated February 28, 2020, and amended by letter dated March 26, 2020, the BCUC established a public hearing process and regulatory timetable for review of the Application, which consisted of BCUC information requests (IRs), PNG (N.E.) responses to IRs and intervener registration;
- E. On April 2, 2020, British Columbia Old Age Pensioners' Organization et al. (BCOAPO) registered as an intervener;
- F. Following PNG (N.E.)'s response to BCUC IRs on April 2, 2020, by Orders G-84-20, G-118-20, G-141-20, and G-208-20, the BCUC amended the regulatory timetable for the review of the Application, which included BCUC and intervener IRs, PNG (N.E.) responses to IRs, submissions on further process, and final arguments;

- G. By Order G-307-20, dated December 1, 2020, the BCUC did not approve the Proposed 2019 Franchise Agreement, and adjourned the proceeding for 90 days to allow PNG (N.E.) and the City of Fort St. John the opportunity to renegotiate the Proposed 2019 Franchise Agreement in response to concerns identified in the Decision accompanying Order G-307-20;
- H. On February 23, 2021, PNG (N.E.) submitted a revised Proposed 2019 Franchise Agreement in response to the Decision accompanying Order G-307-20;
- I. By Order G-109-21, dated April 9, 2021, the BCUC established a further regulatory timetable, seeking submissions from parties on whether the revised agreement should be approved or not;
- J. By letter dated 27 April, 2021, PNG (N.E.) reiterated its view that the revised Proposed 2019 Franchise Agreement can be considered to be in the public interest and should be approved, noting that BCOAPO did not make any further submissions on the matter; and
- K. The BCUC has reviewed the submissions and the revised Proposed 2019 Franchise Agreement addressing the BCUC's earlier concerns, and considers the following determinations are warranted.

NOW THEREFORE pursuant to sections 23(g)(i), 45(7) and 46(5) of the UCA, the BCUC orders as follows:

1. PNG (N.E.)'s revised Proposed 2019 Franchise Agreement is approved in principle.
2. PNG (N.E.) is to file a fully executed Franchise Agreement with the BCUC following the adoption of a municipal bylaw by the City of Fort St. John granting a franchise to PNG (N.E.), along with a copy of the adopted bylaw and any other evidence that the franchise has been secured.
3. On receipt of the fully executed Franchise Agreement and evidence the franchise has been secured, the BCUC will issue a certificate under section 45(7) of the UCA approving the new Franchise Agreement between the City of Fort St. John and PNG (N.E.).

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of May 2021.

BY ORDER

Original signed by:

R. I. Mason
Commissioner