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June 24, 2020

Sent via email/eFile

**PNGNE 2020-2021 REVENUE REQUIREMENTS
EXHIBIT A-10**

Mr. Verlon Otto
Director, Regulatory Affairs
Pacific Northern Gas (NE) Ltd.
750 – 888 Dunsmuir Street
Vancouver, BC V6C 3K4
regulatory@png.ca

**Re: Pacific Northern Gas (NE) Ltd. – Fort St. John/Dawson Creek and Tumbler Ridge Divisions –
2020-2021 Revenue Requirements Application – Project Number 1599058 – Information Request No. 1
on the Evidentiary Update**

Dear Mr. Otto:

Further to your June 16, 2020 filing of the Evidentiary Update (Exhibit B-2-2), enclosed please find British Columbia Utilities Commission Information Request No. 1 on the Evidentiary Update. In accordance with the regulatory timetable set out in Order G-159-20, please file your responses on or before Tuesday, June 30, 2020.

Sincerely,

Original signed by:

Marija Tresoglavic
Acting Commission Secretary

KR/dg
Enclosure



Pacific Northern Gas (N.E.) Ltd. – Fort St. John / Dawson Creek Division and Tumbler Ridge Division
2020-2021 Revenue Requirements Application

INFORMATION REQUEST NO. 1 ON EVIDENTIARY UPDATE TO PACIFIC NORTHERN GAS (N.E.) LTD.

A. EVIDENTIARY UPDATE

**1.0 Reference: EVIDENTIARY UPDATE
Exhibit B-2-2, p. 2; Exhibit B-2 (FSJ/DC Amended Application), Table 2 and 3; Tab 6,
pp. 5-6, 24-25
Impact of Error Corrections**

On page 2 of the Evidentiary Update Pacific Northern Gas (N.E.) Ltd. (PNG(NE)) submitted that the impact of correcting the noted error “results in a significant reduction in the cost of service for both Test Year 2020 and Test Year 2021.”

Further, on page 2, PNG(NE) states:

For FSJ/DC, the cost of service would be reduced by \$445,000 for Test Year 2020 and increased by \$61,000 for Test Year 2021.

...

For TR, the cost of service would be reduced by \$32,000 for Test Year 2020 and increased by \$5,000 for Test Year 2021. [*Emphasis added*]

1.1 Please clarify whether the \$61,000 and \$5,000 increase in Test Year 2021 for Fort St. John / Dawson Creek (FSJ/DC) and Tumbler Ridge (TR), respectively, refers to the increase in cost of service or the increase in the revenue deficiency.

1.1.1 If this refers to cost of service, please reconcile with the statement on page 2 that correcting the noted error results in a significant reduction in cost of service in both 2020 and 2021.

1.1.2 Please provide the cost of service impact of correcting the error noted in the Evidentiary Update for each of the FSJ/DC and TR Divisions for 2020 and 2021.

On page 2 of the Evidentiary Update PNG(NE) states for the FSJ/DC Division:

This change in the cost of service equates to a delivery rate reduction to residential customers of approximately 3.1% in Test Year 2020 and a delivery rate increase of approximately 0.3% for Test Year 2021, not taking into account any adjustments to the proposed rate deferral mechanism.

And further on page 2, PNG(NE) states for the TR Division:

This change in the cost of service equates to a delivery rate reduction to residential customers of approximately 1.9% for Test Year 2020 and a delivery rate increase of 0.3%

for Test Year 2021, not taking into account any adjustments to the proposed rate deferral mechanism.

- 1.2 Please confirm that the 2020 and 2021 delivery rate change stated in preamble above for the FSJ/DC and TR Divisions is in comparison to the annual delivery rate change provided in the respective Amended Applications. If not confirmed, please clarify the basis of comparison (i.e. prior year etc.).

On page 2 of the Evidentiary Update, PNG(NE) submits that it "... proposes to include these adjustments in the final regulatory schedules along with other adjustments identified in the course of this proceeding and will reflect these in the Final Argument..."

With respect to Information Requests 1.3 – 1.5 below, if PNG(NE) proposes to include this information in Final Argument, please advise accordingly.

- 1.3 Please summarize in tabular format for each division, all adjustments and corrections to the forecast data presented in the respective Amended Applications that PNG(NE) propose to reflect in the final regulatory schedules. For each division, please include any changes to the proposed rate deferral mechanism, including the amount of any revenue requirement shift between the test years.
- 1.4 In the same format as Table 2 and 3 in the FSJ/DC Amended Application, please provide the proposed delivery rates for all customer classes in the FSJ/DC and TR Divisions in Test Year 2020 and 2021, after making all proposed adjustments, including the error identified in the Evidentiary Update.
 - 1.4.1 Considering the changes to the proposed delivery rates above, please provide a comparison of the projected annual gas bills for residential and small commercial customers for 2020 and 2021 using rates effective October 1, 2019 and rates proposed effective January 1, 2020 respectively, for both divisions. If possible, please present the information for each division in a format similar to that presented on pages 5, 6, 24 and 25 in Tab 6 of the FSJ/DC Amended Application.
- 1.5 Under a scenario where the 2020 delivery rates approved on an interim basis by Order G-331-19 are made permanent, please provide the proposed delivery rate change in 2021 as compared to 2020 for all customer classes, after making all proposed adjustments, including the error identified in the Evidentiary Update.