



July 31, 2020

Sent via email/eFile

Verlon G. Otto
Director, Regulatory Affairs
Pacific Northern Gas Ltd.
750 – 888 Dunsmuir Street
Vancouver, BC V6C 3K4
votto@png.ca

Re: 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 – Further Regulatory Timetable

Dear Mr. Otto:

Further to your December 10, 2019 filing of the above-noted application, enclosed please find British Columbia Utilities Commission (BCUC) Order G-208-20, establishing a further regulatory timetable. This letter provides additional information regarding the upcoming final arguments.

The Panel invites the parties, without in any way limiting final argument, to address in final argument the following issues:

1. The appropriate jurisdiction for the BCUC to approve a franchise, and the appropriate jurisdiction for the BCUC to approve the terms of a franchise agreement;
2. Why PNG (N.E.) should agree to pay any fees and charges, including pavement degradation fees and charges, to the City of Fort St. John in addition to paying the franchise fee, whether such fees and charges should be recoverable from ratepayers, and how this may be considered to be in the public interest;
3. The appropriate start date of the new franchise and the appropriate commencement date of the initial term of the 2019 Franchise Agreement, with consideration given to the earliest date of approval that may be sought from the BCUC;
4. Once the 1997 franchise agreement expired, on what basis does PNG (N.E.) believe it is able to recover the franchise fee from ratepayers;
5. Why PNG (N.E.) should agree to pay any portion of the costs for any line relocations requested by the City of Fort St. John, whether these costs should be recoverable from ratepayers, and why this may be considered to be in the public interest; and
6. Whether PNG (N.E.) should agree at its sole cost to remove abandoned works at the request of the City of Fort St. John, whether this cost should be recoverable from ratepayers, and why this may be considered to be in the public interest.

Sincerely,

Original signed by:

Marija Tresoglavic
Acting Commission Secretary

GS/cmv
Enclosure



ORDER NUMBER
G-208-20

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 July 31, 2020

ORDER

WHEREAS:

- A. On December 10, 2019, Pacific Northern Gas (N.E.) (PNG (N.E.)) applied to the British Columbia Utilities Commission (BCUC) for approval of a new franchise agreement (2019 Franchise Agreement) between the City of Fort St. John and PNG (N.E.), pursuant to section 45(7) of the *Utilities Commission Act* (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, 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. By Letter dated March 26, 2020, the BCUC amended the regulatory timetable in response to PNG (N.E.)'s request by Letter, dated March 25, 2020, to extend the deadline to file responses to IRs;
- F. On April 2, 2020, British Columbia Old Age Pensioners' Organization et al. (BCOAPO) registered as an intervener;

- G. Following PNG's response to BCUC IRs on April 2, 2020, by Order G-84-20, dated April 9, 2020, the BCUC established a further regulatory timetable, which consisted of BCUC and Intervener IRs, PNG (N.E.) responses to IRs and submissions on further process;
- H. By Order G-118-20, dated May 20, 2020, the BCUC approved an amended regulatory timetable in response to PNG (N.E.)'s Letter, dated May 15, 2020, requesting an amendment to the regulatory timetable to provide additional time to complete the IR responses;
- I. By Order G-141-20, dated June 5, 2020, the BCUC approved an amended regulatory timetable in response to PNG (N.E.)'s Letter, dated June 4, 2020, requesting a further amendment to the regulatory timetable to provide additional time for finalization and review of its responses to BCOAPO IR No. 1 and BCUC IR No. 2 with its legal counsel and the City of Fort St. John;
- J. On June 15, 2020, PNG (N.E.) filed its responses to BCOAPO IR No. 1 and BCUC IR No. 2. In its responses to BCUC IR No. 2, PNG (N.E.) identified several proposed amendments to the 2019 Franchise Agreement;
- K. On June 15, 2020 PNG (N.E.) filed a submission on further process, recommending that the BCUC move to approve the Application and the 2019 Franchise Agreement between PNG (N.E.) and the City of Fort St. John;
- L. On June 22, 2020, BCOAPO filed a submission, noting that they have no objection to PNG (N.E.)'s request for approval of the 2019 Franchise Agreement including the amendments PNG (N.E.) and the City of Fort St. John have agreed to implement; and
- M. The Panel has reviewed the evidence and considers that a further regulatory timetable is warranted.

NOW THEREFORE the BCUC establishes a further regulatory timetable, as set out in Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 31st day of July, 2020.

BY ORDER

Original signed by:

R. I. Mason
Commissioner

Attachment

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

REGULATORY TIMETABLE

Action	Date (2020)
PNG (N.E.) Written Final Argument	Thursday, August 20
Intervener Written Final Argument	Thursday, September 3
PNG (N.E.) Written Reply Argument	Thursday, September 10