



**ORDER NUMBER
G-265-20**

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

and

Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd.
Application for Acceptance of
2019 Consolidated Resource Plan and for Acceptance of
Energy Conservation and Innovation Portfolio Funding for 2020 to 2022

BEFORE:

A. K. Fung, QC, Panel Chair
C. Brewer, Commissioner
R. I. Mason, Commissioner

on October 23, 2020

ORDER

WHEREAS:

- A. On October 31, 2019, Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd. (PNG(N.E.)) (collectively, PNG) filed for acceptance by the British Columbia Utilities Commission (BCUC) the 2019 Consolidated Resource Plan and expenditure schedule for the Energy Conservation and Innovation (ECI) Portfolio for 2020 to 2022 (2020-2022 ECI Expenditure Schedule), pursuant to sections 44.1 and 44.2 of the *Utilities Commission Act* (UCA) (together, the Application);
- B. In the Application, PNG also seeks the following approvals:
 1. Flexibility in the reallocation of expenditures among Demand Side Management (DSM) programs and between program years, subject to the total amount not exceeding the total amount of \$2,278,000, as per the 2020-2022 ECI Expenditure Schedule; and
 2. Approval to record all DSM expenditures in a rate base regulatory asset deferral account, and to retain the 5-year amortization period for DSM expenditures approved by BCUC Order G-121-19;
- C. By Orders G-322-19 and G-24-20, the BCUC established a public hearing process and a regulatory timetable for review of the Application, which consisted of intervener registration, BCUC and intervener information requests (IRs), PNG responses to IRs and submissions on further process;
- D. By January 17, 2020, British Columbia Old Age Pensioners' Organization *et al.* (BCOAPO) and British Columbia Sustainable Energy Association (BCSEA) registered as interveners;
- E. On March 16, 2020, the BCUC received submissions on further process from PNG, BCOAPO and BCSEA, all in support of proceeding to final argument;

- F. By Order G-72-20, dated March 31, 2020, the BCUC amended the Regulatory Timetable to include a second round of IRs and further process to be determined;
- G. On May 12, 2020, PNG filed responses to BCUC, BCOAPO and BCSEA IR No.2;
- H. By Order G-121-20, dated May 22, 2020, the BCUC further amended the Regulatory Timetable to include PNG and intervener final arguments and PNG reply argument; and
- I. The BCUC has completed its review of the evidence and submissions by all parties and finds that the following determinations are warranted.

NOW THEREFORE pursuant to sections 44.1, 44.2 and 99 of the UCA, and for the reasons as set out in the Decision accompanying this Order, the BCUC orders as follows:

1. PNG's 2019 Consolidated Resource Plan is accepted.
2. PNG's 2020-2022 Energy Conservation and Innovation Expenditure Schedule in the amount of \$2.568 million as set out in Table 8 of the Decision is accepted.
3. PNG is directed to comply with the funding transfer rules for reallocating expenditures amongst DSM program areas and between program years as approved in section 3.7 of the Decision accompanying this Order.
4. PNG's proposed continuation of the inclusion of ECI expenditures in a rate base deferral account to be amortized over a five-year period is approved.
5. The BCUC rescinds the directive in section 9.1 of the PNG (N.E.) 2015 Resource Plan Decision accompanying Order G-155-15 requiring PNG(N.E.) to include in future resource plans an action plan consisting of the detailed acquisition steps for those resources which need to be initiated over the next four years to meet the most likely gross demand forecast as it relates to liquified natural gas and compressed natural gas. All other aspects of this directive remain in force.
6. PNG is directed to comply with all other determinations and directives as set out in the Decision accompanying this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of October 2020.

BY ORDER

Original Signed By:

A. K. Fung, QC
Commissioner

Attachment

Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd.
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BCUC Directives

Page	Directive
11	The Panel directs PNG to update the REUS no later than 2023 and include the results of the updated REUS in the demand forecast in its next long-term resource plan.
17	The Panel directs PNG to include more extreme planning scenarios, including the gain or loss of a large commercial or industrial customer demand as directed in Order G-140-14 in its next long-term resource plan.
24	PNG has failed to analyze the bill impact on other customer groups as previously directed by the BCUC, and the Panel finds that PNG has only partially fulfilled the directives in Order G-155-15. The Panel considers the missing information from Order G-155-15 is still relevant, and therefore directs PNG to include an analysis of bill and rate impacts relating to all customer groups in future DSM/ECI Plans.
27	The Panel finds that PNG has not fulfilled this directive in Order G-140-14 and directs PNG to file an update on all gas supply options and an examination of the merits of these options by December 31, 2022. The Panel directs PNG in its next long-term resource plan to provide further analysis of its resiliency plan, including supply risks and its back-up plan in the event of a pipeline rupture, loss of supplier, or similar disruption, for the PNG-West and PNG(N.E.) systems.
30	Accordingly, with respect to LNG and CNG, the Panel rescinds the directive at section 9.1 of the PNG (N.E.) 2015 Resource Plan Decision accompanying Order G-155-15 requiring PNG to include in future resource plans an action plan consisting of the detailed acquisition steps for those resources which need to be initiated over the next four years to meet the most likely gross demand forecast.
36	The Panel directs PNG to file a set of principles regarding the development of RNG supply infrastructure no later than the filing of its next long-term resource plan and ECI application in 2023.

40	The Panel therefore directs PNG to file its next long-term resource plan no later than December 31, 2023.
52	In the interest of ensuring greater transparency, the Panel directs PNG to report on the following in its Annual Report filed with the BCUC: <ul style="list-style-type: none"><li data-bbox="673 331 1323 401">(i) all transfers of DSM funds from one program area to another program area; and<li data-bbox="673 422 1344 491">(ii) all transfers of unspent DSM funds from one program to the same program in the following year