



LETTER NO. L-32-95

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COMMISSION SECRETARY

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July 26, 1995

Mr. C.P. Donohue
Manager of Regulatory Affairs
Pacific Northern Gas Ltd.
1400 - 1185 West Georgia Street
Vancouver, B.C.
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Dear Mr. Donohue:

Re: Pacific Northern Gas Ltd.
February 1995 Integrated Resource Plan (IRP) Supplement

The Commission has reviewed PNG's *February 1995 Supplement to the July 1994 Public Draft Integrated Resource Plan* along with the Public Draft IRP, and has concluded overall that PNG's IRP is consistent with the Commission's IRP Guidelines. PNG is a smaller utility with limited resources for IRP, and these documents are a good first step in an ongoing IRP process. Moreover, the Commission believes that public involvement for a utility with a customer base so dispersed as PNG's poses considerable practical challenges. Given these circumstances, the Commission is satisfied with the degree of public involvement undertaken by the utility. Taking all of these factors into account, the Commission approves the February Supplement and the Public Draft IRP, together as filed, as PNG's 1995 IRP.

As PNG has not applied for deferral of DSM program expenditures in its IRP, there is no specific DSM Application before the Commission for its consideration. However, in order to assist the utility in planning its continuing DSM activities, the Commission offers the following comments on DSM programs described in PNG's IRP.

(a) **Setback Thermostat**

The setback thermostat program is similar in design to one proposed in the previous BC Gas IRP, and for which the Commission directed BC Gas to conduct a pilot program prior to full implementation. BC Gas is anticipated to have data on the impact of the pilot program this summer. By delaying implementation of such a program, PNG would be better able to evaluate the value of such a program, and the costs and benefits related to proceeding. If PNG chooses to implement the program in advance of BC Gas pilot study results which indicate that setback thermostat programs are worthwhile, the Commission may be reluctant to approve previous expenditures that PNG has made on such a program.

(b) **Efficient Home Program**

PNG is not proposing any action with respect to this program, and the Commission has no comment.

(c) **High Efficiency Furnace Incentive Program**

The Commission understands that PNG is not proposing an incentive program at this time, because of concerns about limited participation and a significant rate impact. However, the Commission is nevertheless interested in such programs and believes that one potential barrier - concerns about the reliability of the technology - may have improved. Therefore, the Commission would be interested in innovative ideas for programs that could be designed to avoid significant rate impacts.

(d) **R-2000 Type Incentive Program**

Again, although PNG is not proposing any programs at this time, the Commission would be interested in possible suggestions for programs that wouldn't have significant rate impacts.

(e) **Hot Water Tank Conversion Incentives**

In the BC Gas August 1994 Phase 3 Revenue Requirements Decision, the Commission indicated that it was not convinced by the evidence advanced that electricity fuel substitution programs were justified. In spite of the Greenhouse Gas study undertaken on behalf of PNG, the Commission remains unconvinced. Although off-oil or propane programs might be justified, PNG should not extend the Hot Water Tank Conversion Incentives program without further justification.

(f) **NGV Light Vehicle Conversions**

Since the NGV Light Vehicle Conversion program is a financing program, the Commission in this instance merely wishes to ensure that the interest rate charged to participants in the program is sufficient to cover PNG's own costs of financing the program.

(g) **Tumbler Ridge Gas Fireplace Program**

The Commission supports PNG's plan to convene a stakeholder group, but would suggest that the group look at all reasonable alternatives to the current type of wood burning fireplaces - not just gas fireplaces - and to consider all environmental impacts, including global impacts. The Commission is, for example, interested in new developments in low emission wood fireplaces as one possible alternative.

(h) **Low Interest Financing of Gas Equipment Supply and Installation**

In the BC Gas Phase 3 Decision, the Commission supported programs aimed at promoting efficient boilers and process retrofits in the Commercial market. To the extent that the PNG program is intended for commercial and industrial customers, the Commission offers tentative support as well, but it is less supportive of the program if it is extended to include residential appliances.

(i) **Seminars and Training**

The Commission is generally supportive of the program, but notes that there was little detail in the IRP about how many training and seminar activities were planned for the budgeted cost of the program. The Commission will be looking to the utility to undertake such activities as cost-effectively as possible.

(j) **Industrial Site Visits**

The Commission supports the industrial site visits that have been undertaken by PNG, and assuming favourable results from the initial program visits would be supportive of the further visits planned.

(k) **Greenhouse Gas Study**

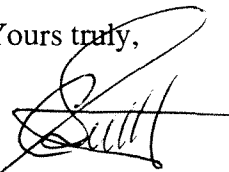
The Commission is concerned that studies undertaken by utilities on issues such as fuel switching and the marginal source of electricity supply may not provide complete answers to such issues unless the terms of reference for such studies are extremely carefully prepared. With respect to the specific study undertaken on behalf of PNG, the Commission would want to review the terms of reference for the study prior to approving recovery of expenditures.

(l) **Energy Aware Committee**

The Commission notes that the Energy Aware Committee is a collaborative effort involving several utilities and government organizations. Given the potential benefits of such a collaborative effort and the low initial level of expenditures, the Commission supports PNG's involvement in the Committee.

In order to provide the utility with additional feedback regarding its IRP, the Commission staff review of PNG's IRP Supplement is attached.

Yours truly,



for: Constance M. Smith
Robert J. Pellatt

JWF/ssc
Attach.

British Columbia Utilities Commission
Staff Review of
PACIFIC NORTHERN GAS LTD
Supplement to the July 1994 Integrated Resource Plan

Introduction

Pacific Northern Gas Ltd. (PNG) filed a supplement in February 1995 to its preliminary Draft Integrated Resource Plan (DIRP) which was originally filed in July 1994. The purpose of the supplement is to recognize input and suggestions from the public and Commission staff regarding the July 1994 DIRP, and to update the DIRP to reflect current circumstances and ongoing refinements of their IRP methodology.

Additionally, in its letter of transmittal of the DIRP Supplement ("the Supplement"), PNG has indicated that it wishes to implement some DSM programs for the 1995/96 heating system, and therefore, has requested that it receive some direction from the Commission. Currently, a PNG Rate Design hearing is scheduled for September 1995, and the DIRP and the supplement may be reviewed at that time. However, informal discussions between PNG and Commission staff have indicated that PNG would like to receive some indication prior to the hearing that the Commission regards PNG's DSM plans favorably, in order to begin implementation of programs prior to the heating season and the Revenue Requirements hearing. Therefore, the purpose of this review is to communicate staff's views of the Supplement to the Commission, and to put forward options and recommendations for consideration of the DSM plans contained in the supplement.

The staff review of the July 1994 IRP was presented to the Commission in a November 1994 report, and although providing fairly detailed comment on some sections, staff were generally very supportive of the quality of the work that PNG had completed in a relatively short time frame. As the Supplement only contains new or changed information, this review will refer back to the original IRP or the November 1994 staff review where convenient.

Overview and Report Structure

The February Supplement follows the same structure as the original DIRP. The first four chapters of that document focused on providing a context for utility planning to a non-specialist audience and presented a background to PNG's planning efforts, a review of IRP concepts, a description of the PNG system and an overview of utility regulation. In the supplement, PNG has only updated some the information on the PNG system - adding some maps of the transmission and distribution systems and updating the information on the Tumbler Ridge system. Staff find the additional information to be a welcome addition to the DIRP, and believe that no further comment is needed on these sections. For the following chapters, staff will follow the structure of the supplement in presenting their comments.

More substantial revisions are made to following sections. Chapter 5 focuses on the IRP objectives and on PNG's public involvement processes, including feedback received from stakeholders on various aspects of the plan. Chapter 6 of the supplement reviews the assumptions of PNG's long-term demand forecasts in light of current information and responds to staff comments raised in the November 1994 Commission Staff DIRP evaluation. Chapter 7 of the DIRP concerned PNG's supply-side resources, and the Supplement contains some responses to previous staff comments on the subject. Chapter 8 of the Supplement revises the results and the presentation of the energy price and avoided cost components of the DIRP to reflect new information as well as previous Commission staff comments. Chapter 9 discusses some additional work PNG has done on its standard DSM tests model since the November 1994 DIRP. Chapter 10 and 11 updates the test results and analysis of PNG's proposed DSM programs, and asks for Commission approval to proceed. Chapter 12 offers some concluding remarks.

Chapter 5: Part I - IRP Objectives

In the DIRP, PNG had included the assessment and avoidance of risk as a sub-objective under the primary objective, "financial merit". PNG has suggested adding the explicit consideration and management of risk to its list of fundamental principles which guide the IRP. PNG notes that this addition will allow risk to be considered

more broadly, in the context of all other objectives, and also permits risk to be excluded from the wording of any other objectives. Staff are highly supportive of this addition.

Previous staff comment on the objectives section of PNG's DIRP focused largely on the primary objective, "financial merit" and an underlying means objective "maintain or enhance rate base", which staff felt contained flaws as an objective. As noted in the staff DIRP evaluation, informal discussions with PNG staff at that time had indicated that PNG also had concerns about this objective. Consequently, PNG has replaced the means objective with one which reads "Avoid penalization of shareholders and encourage opportunities for their benefit". PNG has also noted in the discussion that it chose the phrase "encourage opportunities" rather than "require opportunities", and that it is not proposing specific mechanisms for shareholder benefit, at this time. Staff support the change, and believe that this revision represents a reasonable balance for recognizing shareholder interests in the statement of objectives at this time.

Also in response to staff comments, two other clarifications about specific wording of objectives have been included in the Supplement.

Chapter 5: Part II - Public Involvement

The staff evaluation of the DIRP encouraged PNG to form a voluntary stakeholder committee as soon as possible, and made several more specific suggestions about the level of effort that it felt would be appropriate for a utility the size of PNG. In a subsequent meeting between PNG and Commission staff, PNG indicated that it had significant reservations about establishing a stakeholder committee as a means of involving the public.

PNG considered several options for designing its public involvement process, including town-hall type meetings or inviting selected residents to open-to-the-public meetings. Based in part on the input from local area managers, PNG concluded that it would base its public involvement strategy on extensive interviewing of individuals. In the Supplement PNG has summarized its public involvement activities to date, which included:

- interviews at an early stage of the IRP process, with some 50 individuals from 40 organizations;
- distribution of over 300 copies of the DIRP document, along with a covering letter explaining the IRP process and asking for public comment;
- Subsequent meetings with some 130 recipients of the PNG DIRP, along with conversations with other individuals outside of the PNG service area; these meetings ranged in size from single individuals to groups of up to five;
- Bill inserts sent to all PNG customers provided an overview of the IRP process, noted the availability of the DIRP, and offered the Executive Summary on request.

PNG considers its public involvement efforts to be successful on several fronts: including the number of individuals who have become involved, the broad distribution of information on the IRP process and the breadth of the comments received, and the education of PNG employees on the IRP process.

Staff have had informal discussions with PNG regarding their public involvement efforts and have noted that PNG has chosen to proceed through individual or group interviews rather than establishing a formal stakeholder committee. PNG's notes the "challenge and opportunity" of encouraging involvement in relatively small and cohesive communities in a geographically large area with an overall low population density. Staff believe that PNG may have chosen its public involvement strategy due to the difficulties and expense of convening a functioning and regionally balanced stakeholder committee given the travel requirements involved.

Staff have reviewed the list of agencies and individuals contacted and interviewed for the DIRP, and believe that PNG has gone to considerable effort to distribute the DIRP and to elicit comment from a wide array of parties throughout their service area. The Action Plan in the supplement does not state what PNG's plans are for public involvement in the future, although the DIRP does mention (p. A-22) that some matters justify follow-up with community representatives.

PNG has included summaries of the comments of interview candidates regarding the various sections of the DIRP. These will not be repeated in this staff evaluation unless they have a direct bearing on an issue being discussed.

Chapter 6: Long-Term Demand Forecasts

Issues Raised in the Staff DIRP Evaluation

Three issues were raised in the staff evaluation of the DIRP: end-use modeling, compressor fuel use, and sub-regional peak and design day forecasts.

Concerning the first issue, staff noted in the DIRP evaluation that PNG was using a 'bottom-up' approach to forecasting that was neither econometric nor end-use, and that while reluctant to suggest methods - such as formal end use models - that could add to IRP costs, staff were concerned that opportunities could be lost without a formalized way of collecting and tracking industrial energy use. PNG had indicated in previous meetings that it was reluctant to adopt end-use models because of the methodological complexity and level of effort required. As a smaller utility, PNG had indicated that staff levels were insufficient to apply the required level of effort it felt was necessary to do a credible job.

In the supplement, PNG points out that it has compiled a survey of gas using equipment for approximately 60 of its larger industrial and commercial customers on the PNG-West system. PNG believes that the combination of the survey and its site visits provide it with the ability to respond to industrial and commercial energy use opportunities on a 'tailor-made' basis. The utility also notes that in 1993 it participated in a residential end-use survey, and conditional demand analysis with BC Gas, and that it intends to incorporate this data into its forecasting and energy management design. Without having reviewed any of the results of the surveys or demand analysis, staff believe that PNG's methods for forecasting and demand analysis appear reasonable at this time.

Second, staff had pointed out that no change was incorporated into the low-case demand forecast to account for the non-linear reduction in compressor fuel use associated with changes in throughput. PNG has not changed the forecast in the IRP because of the relatively small impact of compressor fuel portion of overall demand, but notes that it will take this into account in future IRPs.

Third, staff had encouraged PNG to develop design day and peak day forecasts for each of its seven service area subregions. PNG states that it intends to add automated metering to establish load duration profiles and weather-sensitive demand for its East sub-region. PNG will then consider whether to extend its monitoring to other sub-regions. The utility has also indicated that it plans to review its temperature normalization and weather data collection procedures.

Staff are also satisfied that, on these latter two points, PNG's actions are appropriate.

Hindsight Appraisal of DIRP Assumptions

PNG has used its public consultation to review its assumptions for its long-term demand forecasts. The utility reports that most people contacted thought the mid-case forecast most closely paralleled its own expectations, and that no one suggested that the forecasts required revision. However, the utility also reports in the supplement that there are several changes in the forecast assumptions it would consider if it were re-doing the forecasts, but that the changes produced would not materially impact on the IRP decision analysis.

Chapter 7: Supply-Side Resources

In the evaluation of the DIRP, staff identified a number of refinements that should be considered in future revisions or in new IRPs. Some of these refinements were directed not only to the DIRP document, but also to PNG's gas supply analysis and practices. PNG has responded to some comments on descriptive portions of the DIRP by revising the text. The utility has also acknowledged, however, that some of the staff suggestions will require significant time and resources to resolve and indicates that a major objective of future IRPs will be a more comprehensive treatment of supply-side issues.

Staff agree that this approach is preferable to delaying formal review of the IRP until all of the supply-side issues are completed.

Chapter 8: Energy Prices and Avoided Costs

The staff evaluation of the energy price forecast section of PNG's DIRP suggested that the final IRP should be based on actual 1994/95 gas costs, and that any adjustments to these costs as a basis for long-term price projections should be explained. In the supplement, PNG has included a comparison of the utility's current expectations of gas prices for the 1994/95 contract year with the prices found in PNG's DIRP price forecast. PNG states that current wellhead prices are well below trend projections, but that it believes that prices have been volatile and trending downward recently and are likely anomalous. Thus, PNG believes that the prices in its trend forecasts in the DIRP supplement are appropriate, and has left the forecast of wellhead prices unchanged.

PNG has revised the Energy Price tables to correct the discounting calculation which underlies the "PNG Transmission and Distribution Margins" section of the tables. This causes changes in the Consumer Cost of Natural Gas and the Natural Gas for Vehicles sections. The utility has also added energy price forecasts for the Dawson Creek and Tumbler Ridge service areas; these forecasts were not included in the DIRP.

The staff evaluation also suggested that more clarification was needed on some parts of the avoided cost calculations. In the DIRP supplement, PNG has expanded the explanation of the numbers in the avoided cost tables adding to the understandability of the document.

The avoided costs calculations are based on the difference between costs for energy deliveries under the base case forecast and under the base case forecast plus 3 percent. Although the method used does not appear to include an escalation factor for incremental facilities on the Westcoast system, the location of the PNG take-off point from the Westcoast system and the relatively small size of the PNG load (approximately 6.4 percent - including Methanex - of total Westcoast throughput) suggest that including the incremental Westcoast facilities would have little impact.

For these reasons, although staff have not done an extensive review of the avoided cost calculation, staff believes that the avoided cost method used is reasonable for PNG given its size and location.

Chapter 9: Assessment of Demand-Side Energy Programs

PNG has revised its Ratepayer Impact Measure (RIM) model to incorporate additional assumptions relating to income-tax impacts, cost allocations, treatment of interest, and deferral amortization periods. These appear to be refinements to the model and staff consider them to be worthwhile. PNG states that incorporating any new assumptions where relevant has a generally modest impact on the proposed program test results.

Chapter 10: Review of Potential Energy Management Programs

The changes that PNG has made in the avoided costs do cause some changes to the DSM test results. Staff review of the revised DSM test reveals that there are some changes in the results that could be considered significant, but that these may also be a result of other revisions to the DSM program analysis.

Chapter 11: Proposed Action Plan

The proposed Action Plan is comprised of 12 proposed activities of which five are proposed for the PNG West system and four are proposed for the PNG-NE (Dawson Creek) system. The twelve action plan items are as follows:

(a) Setback Thermostat Program

PNG is requesting approval in principle to offer a \$50 incentive to any customer who installs a setback thermostat.

(b) **Efficient Home Program**

The Efficient Home Program has been pre-empted by the BC21 Power Smart initiative so that PNG is not proposing to proceed with the Efficient Home Program now.

(c) **High-Efficiency Furnace Incentive Program**

PNG is not proposing to offer an incentive program for installation of high-efficiency furnaces at this time because the program could have limited participation along with a significant rate impact.

(d) **R-2000 Type Incentive Program**

PNG is not proposing to offer incentives for very high efficiency construction at present.

(e) **Hot Water Tank Conversion Incentives**

PNG has offered its western service area customers a \$100 incentive for converting hot water tanks from other fuels to natural gas. The utility is proposing to continue this program and extend it to its north-eastern service area. The extended program would be administered within its traditional marketing and business activities so that there will be no incremental IRP related administration costs. Most of the public consulted on PNG's IRP were indifferent to the program; exceptions were those not currently connected to the gas grid who indicated a strong desire to convert appliances to gas, and one individual who opposed any load building program on the basis of greenhouse extensions.

(f) **NGV Light Vehicle Conversions**

PNG encountered "...broad public interest in and support for..." NGV. The utility is proposing to maintain grants at current levels but to raise the level of financing assistance to \$3500, the same limit as available for other natural gas equipment installations.

(g) **Tumbler Ridge Gas Fireplace Pilot Program**

The District of Tumbler Ridge requested PNG to take a more active role in promoting gas fireplaces primarily for air quality reasons. PNG is proposing to implement a stakeholder process in the community to assess community interest and design an appropriate program, if any.

(h) **Low Interest Financing of Gas Equipment Supply and Installation**

The concept of low interest financing of gas equipment was endorsed by several parties consulted on the utility's IRP. No contacts suggested that such assistance was inappropriate. In the near term, PNG is suggesting extending its financing program to the PNG-NE service area, and at a later date to review the program and make recommendations to the Commission concerning program design issues such as maximum loan limits, repayment periods, incentive rates versus deterrents for different equipment types and accounting treatment.

(i) **Seminars and Training**

During its public consultation, PNG heard that, in the relatively small and dispersed communities served by PNG, good technical information was limited on subjects such as energy efficient building construction and servicing of highest efficiency energy equipment. Therefore PNG is proposing to budget \$50,000 for training sessions until year-end 1996.

(j) **Industrial Site Visits**

PNG arranged site visits by an engineer for eight of its nine largest customers, and has completed reports on fuel switching, conservation and energy management opportunities. Cost of the eight reports is

approximately \$29,000. PNG is considering reviews for eight more industrial visits, based on evaluations of the initial program visits. The utility is budgeting \$35,000 for the second set of visits.

(k) Greenhouse Gas Study

PNG recently commissioned a consulting study to assist it in evaluating the net impact of gas versus electricity use in B.C. on Greenhouse gas emissions. Copies of the study, entitled "Power System Integration and Marginal Sources of Electricity Supply", were provided to the Commission on April 25, 1995. The study concludes that the appropriate region to consider when evaluating natural gas for electricity substitution in B.C. is the area encompassed by the Western Systems Coordinating Council, and that the marginal source of electricity supply is thermal generation.

(l) Energy Aware Committee

PNG has been invited to join the Energy Aware Committee, a group of utilities, municipalities, BC Transit, and the Whistler Centre for Business and the Arts to transfer energy management concepts to urban and regional planning applications. PNG is planning to review its ongoing participation in the Committee following the establishment of the groups goals. If PNG continues to be involved in the committee, it anticipates annual costs of approximately \$5,000.

Staff Comments on the Action Plan

Staff believe that PNG's IRP as now represented by its initial preliminary draft and the subsequent IRP supplement is a generally sound planning document. PNG has attempted to provide solid analysis to support its action plan. Of the individual items discussed in the proposed Action Plan, PNG is only actually proposing action on some items. PNG has indicated that it would prefer to begin with some DSM programs prior to the heating season, and would prefer an indication of the support or opposition of the Commission or at least Commission staff prior to a possibly more formal IRP review in the fall.

One consideration which would tend to weigh against such early consideration is the lack of a formal stakeholder group which has commented on these programs. The utility has argued strongly that there are unique considerations due to the geographic dispersion of the PNG service areas, and that these considerations make a formal stakeholder process impractical (staff's comments on PNG's public involvement activities were reviewed beginning on page 2). In the absence of such a stakeholder group, the more formal review of DSM programs in a hearing may be warranted. However, some programs are either very inexpensive, or may be mere extensions of existing programs to the additions to PNG's service territory. In these instances, delaying the programs for a more formal review may accomplish little and may delay potential benefits. Therefore staff have considered the programs which PNG is actually proposing, and attempted to review the benefits and costs associated with allowing the utility to proceed with individual programs immediately.

Some of these items PNG has already completed or embarked upon, and so they do not require early Commission approval (although if the Commission felt strongly that the programs should be discontinued, PNG would no doubt appreciate early notification). Programs that have been completed or initiated include:

- Greenhouse Gas Study
- Energy Aware Committee

Moreover, some programs may be relatively straight forward and could represent lost opportunities, so that PNG could be encouraged to undertake these programs without a more formal review. Such programs could include:

- Tumbler Ridge Gas Fireplace Pilot Program
- Seminars and Training

The gas fireplace program, for instance, involves establishing a stakeholder committee to assess community response and design a program if one appears warranted. Staff believe that PNG should be encouraged to begin

this process sooner rather than later. Staff also believe that PNG's argument in favor of the need for technical seminars and training programs has merit. Although the ability to quantify the benefits from such programs is small, the "informational market barrier to DSM" is often cited and the magnitude of the expenditures is small (one-half of one percent or less of 1995 O&M expenditures).

A third 'category' of programs includes those which have been initiated, but which PNG wishes to expand. These programs include:

- Low Interest Financing of Gas Equipment Supply and Installation
- Industrial Site Visits

The low interest financing program already exists in the PNG-West service area, and PNG is proposing to extend the program to the PNG-NE service area, and subsequently to review the program at some future date for potential program changes. Staff believe, however, that there might be some logic in reviewing the program first, before introducing it into a new service area. Moreover, if the IRP is reviewed in a hearing, the opportunity would exist to review the program and any proposed changes in that context.

A similar logic could be applied to the industrial site visits program, since the initial industrial site visit reports are currently being prepared, and PNG has suggested that it will consider the results of these initial reports before embarking on additional site visits. However, staff believe that detailed review of the industrial site visit reports in a hearing forum could encroach on proprietary commercial information. Therefore, PNG could be allowed to proceed with additional site visits, assuming that the overall results of the initial site visits appeared to justify the continued effort.

Finally, there are several programs which may not offer significant lost opportunities and which raise questions of program value or of consistent treatment of utilities by the Commission. Such programs include:

- Setback Thermostat Program
- Hot Water Tank Conversion Incentives
- NGV Light Vehicle Conversions

The setback thermostat program is similar in design to one proposed in the previous BC Gas IRP, and for which the Commission directed BC Gas to conduct a pilot program prior to full implementation. BC Gas is anticipated to have data on the impact of the pilot program this summer. By withholding approval until after the results of the BC Gas pilot, the Commission would be better able to evaluate the value of such a program and would be ensuring more consistent treatment of the utilities.

The hot water tank conversion program is an existing program in the PNG-West service area which the utility proposes to extend to PNG-NE. There may be some lost opportunities if the program is not implemented quickly, because the utility believes that many electric tanks may be nearing the end of their service life, and the response to consumers to tank failure may be to replace the existing tank with a similar tank simply to restore service as soon as possible. On the other hand, if the Commission has concerns or thoughts that the existing program should be modified or discontinued after a more thorough upcoming review, then now is not the time to extend that program.

The NGV program proposal is to leave any grants at current levels and simply to raise the availability of financing assistance to that same limit as for other gas installations. The issue here is consistency with other utilities, and the debate about NGV programs that may take place in the next BC Gas IRP review.

Conclusion

Staff believe that PNG's DIRP, coupled with the changes and additions in the supplement, is a valuable planning and communications document. PNG has responded to Commission staff's earlier comments on the DIRP either by making the suggested changes or by offering considered arguments or counter-proposals where it has disagreed. At this juncture, the Commission may choose to actively review the IRP in PNG's upcoming fall rate design hearing, or the Commission may wish to approve the IRP as it stands revised by the supplement.

In the absence of a formal application for DSM program costs, the Commission cannot formally approve any DSM programs. However, the Commission could give some feedback to PNG about its proposed DSM programs so that the utility will have some basis on which to move forward if it so chooses.