



**ORDER NUMBER**  
**G-121-19**

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

and

Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd.  
Energy Conservation and Innovation Program Funding Application

**BEFORE:**

W. M. Everett, QC, Panel Chair  
H. G. Harowitz, Commissioner  
T. A. Loski, Commissioner

on June 6, 2019

**ORDER**

**WHEREAS:**

- A. On December 21, 2018, Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd. (collectively, PNG) applied to the British Columbia Utilities Commission (BCUC), for acceptance of the expenditure schedule for PNG's Energy Conservation and Innovation (ECI) programs for 2019 and 2020 (the Application), pursuant to section 44.2 of the *Utilities Commission Act* (UCA);
- B. PNG also seeks the following approvals:
  - 1. granting PNG flexibility in the reallocation of expenditures amongst demand-side measure (DSM) programs and between program years, subject to the total amount not exceeding the total amount of \$827,000 sought in this Application; 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-203-15;
- C. British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and Tenant Resource and Advisory Centre, known collectively in regulatory process as "BCOAPO et al." (BCOAPO), and the Peace River Regional District registered as interveners;
- D. On January 9, 2019, by Order G-4-19, the BCUC established a written public hearing process for the review of the Application, providing for one round of BCUC and intervener information requests, final arguments from PNG and interveners, and reply argument from PNG. The process was completed on April 1, 2019; and
- E. The BCUC has reviewed the evidence and considers that PNG's Application for acceptance of its 2019-2020 ECI expenditure schedule is warranted, in part.

**NOW THEREFORE** pursuant to section 44.2 of the UCA the BCUC orders as follows:

1. The Residential Furnace and Boiler Replacement Program and costs associated with that program in the PNG ECI expenditure schedule are rejected.
2. PNG's ECI expenditure schedule outlined in Section 1.2 of the Decision, adjusted for the exclusion of the Residential Furnace and Boiler Replacement Program, is accepted.
3. PNG is directed to file with the BCUC for acceptance, within 30 days of the date of this order, a revised expenditure schedule for 2019 through 2020 adjusted for the exclusion of the Residential Furnace and Boiler Replacement Program.
4. PNG's proposed funding transfer rules for reallocating expenditures amongst DSM programs and between program years as set out in the Application are approved.
5. 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.
6. PNG shall comply with all additional determinations and directions contained in the Decision attached to this order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this                    6<sup>th</sup>                    day of June 2019.

BY ORDER

*Original signed by:*

W. M. Everett, QC  
Commissioner