



ORDER NUMBER
G-6-22

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 Approval of a Low Carbon Energy Cost Recovery Mechanism and
Biomethane Purchase Agreements

BEFORE:

R. I. Mason, Panel Chair
A. C. Dennier, Commissioner
M. Kresivo, QC, Commissioner

on January 11, 2022

ORDER

WHEREAS:

- A. On November 17, 2021, Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd. (collectively, PNG) submitted an application to the British Columbia Utilities Commission (BCUC) pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA) seeking approval of a Low Carbon Energy (LCE) Cost Recovery Mechanism, and pursuant to section 71 of the UCA and the BCUC Rules for Natural Gas Energy Supply Contracts seeking approval of Biomethane Purchase Agreements (BPAs) with ATCO Future Fuel RNG Limited Partnership (ATCO) and Tidal Energy Marketing Inc. (Tidal) (Application);
- B. PNG requests, among other things, to establish an LCE rate of \$27.50/Gigajoule and to recover LCE-related costs through sales to voluntary LCE customers, PNG's own company use gas, and off-system sales. PNG seeks approval to capture unrecovered LCE-related costs in a new deferral account to be recovered from customers through an LCE cost recovery rate rider;
- C. PNG proposes a written hearing process for the review of the Application;
- D. PNG requests that the redacted portions of the Application and certain appendices be kept confidential due to their commercially sensitive nature; and
- E. The BCUC has commenced review of the Application and determines that a public hearing process is warranted.

NOW THEREFORE the BCUC orders as follows:

- 1. A public hearing process is established in accordance with the regulatory timetable set out in Appendix A to this order.

2. PNG is directed to publish on its website the Application, this order and the regulatory timetable attached as Appendix A to this order, and to provide a copy of the same to registered parties of the following proceedings by Friday, January 21, 2022:
 - a. PNG 2020–21 Revenue Requirements Application;
 - b. PNG Application Regarding Process for Allocation of Reactivated Capacity and Approval of Large Volume Industrial Transportation Rate; and
 - c. PNG Application for Acceptance of 2019 Consolidated Resource Plan and for Acceptance of Energy Conservation and Innovation Portfolio Funding for 2020 to 2022.
3. PNG is to publish in print/display-ad format, as soon as reasonably possible but no later than Friday, January 21, 2022, the Notice of Application attached as Appendix B to this order, in such appropriate news publications as may properly provide adequate notice to the public in the affected service areas.
4. PNG must publish notice of this Application on its website and its Twitter and Facebook social media platforms as soon as reasonably possible but no later than Friday, January 21, 2022.
5. In accordance with the BCUC's Rules of Practice and Procedure attached as Appendix A to Order G-15-19, parties who wish to participate in the proceeding may submit a letter of comment, register as an interested party or request intervener status. Parties requesting intervener status must register with the BCUC by completing a Request to Intervene Form available on the BCUC's website by the date established in the regulatory timetable attached as Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of January 2022.

BY ORDER

Original signed by:

R. I. Mason
Commissioner

Attachment

Pacific Northern Gas Ltd. and
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REGULATORY TIMETABLE

Action	Date (2022)
Deadline to Publish Notice	Friday, January 21
Intervener Registration	Thursday, February 3
BCUC Information Request (IR) No. 1 to PNG	Monday, February 7
Intervener IR No. 1 to PNG	Monday, February 14
PNG Responses to BCUC and Intervener IR No. 1	Friday, March 4
PNG Final Submissions on Biomethane Purchase Agreements	Thursday, March 10
PNG Submissions on Further Process (all other topics in Application)	Thursday, March 10
Intervener Final Submissions on Biomethane Purchase Agreements	Friday, March 18
Intervener Submissions on Further Process (all other topics in Application)	Friday, March 18
PNG Reply to Intervener Final Submissions on Biomethane Purchase Agreements	Monday, March 28
PNG Reply Submissions on Further Process (all other topics in Application)	Monday, March 28
Further Process	To be determined



We want to hear from you

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

Low Carbon Energy Cost Recovery Mechanism and Biomethane Purchase Agreements

On November 17, 2021, Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd. (collectively, PNG) submitted an application to the British Columbia Utilities Commission (BCUC) seeking approval of a Low Carbon Energy (LCE) Cost Recovery Mechanism pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA).

Among other items, PNG requests acceptance of two Biomethane Purchase Agreements (BPAs) for the acquisition of LCE. PNG proposes to establish new rate schedules for LCE customers and to capture the amounts spent on LCE procurement, administration, and marketing, which are not recovered in LCE rates in a new deferral account. Under PNG's proposal, balances in the deferral account would be recovered through a rate rider on PNG's non-bypass customers, and costs of supplying LCE for PNG's company use gas would be recovered through the company use gas cost rate from PNG's natural gas customers in areas where LCE service is available.

HOW TO PARTICIPATE

- **Submit a letter of comment**
- **Register as an interested party**
- **Request intervener status**

IMPORTANT DATES

1. **Thursday, February 3, 2022** – Deadline to register as an intervener with the BCUC

For more information about the Application, please visit the [Proceeding Webpage](#) on bcuc.com under "Our Work – Proceedings". To learn more about getting involved, please visit our website at www.bcuc.com/get-involved or contact us at the information below.

GET MORE INFORMATION

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British Columbia Utilities Commission



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