



**ORDER NUMBER  
G-171-23**

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

and

Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd.  
2023-2024 Energy Conservation and Innovation Portfolio Funding

**BEFORE:**

E. B. Lockhart, Panel Chair  
C. M. Brewer, Commissioner  
B. A. Magnan, Commissioner

on June 29, 2023

**ORDER**

**WHEREAS:**

- A. On August 12, 2022, Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd. (collectively, PNG) filed its Application for Energy Conservation and Innovation (ECI) Portfolio Funding for 2023-2024 (Application), pursuant to section 44.2(3) of the *Utilities Commission Act* (UCA), seeking acceptance of Demand Side Measures (DSM) total expenditures of \$3,810,452 for the period 2023-2024;
- B. PNG also seeks the following approvals:
  - 1. Flexibility in the reallocation of expenditures amongst DSM programs and between program years, subject to the total amount spent by PNG on DSM activities between the date of approval and December 31, 2024 not exceeding the total amount of \$3,810,452 sought in this Application, unless otherwise approved by the BCUC, consistent with funding transfer rules as approved under Order G-265-20;
  - 2. To record all DSM expenditures in a rate base regulatory asset deferral account that includes all expenditures as set out in Table 1 of the Application; and
  - 3. To change the amortization period from five years to ten years for DSM expenditures approved by BCUC Order G-265-20;
- C. By Orders G-318-22A and G-15-23, the BCUC established a written public hearing process and regulatory timetable including intervenor registration, one round of information requests, and final and reply arguments;

- D. The British Columbia Sustainable Energy Association, British Columbia Old Age Pensioners' Organization et al., Commercial Energy Consumers Association of British Columbia, Residential Consumer Intervener Association, and the City of Terrace registered as interveners in the proceeding;
- E. PNG filed its Final Argument on February 14, 2023. The interveners submitted their Final Arguments by February 28, 2023. PNG submitted its Reply Argument on March 14, 2023; and
- F. The Panel has reviewed the evidence and arguments in the proceeding and finds the following determinations are warranted.

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

- 1. The PNG DSM expenditures of \$3,110,452 for the period 2023-2024, are accepted as outlined in Table 12 in section 2.6 of the Decision accompanying this order.
- 2. The following PNG DSM expenditures are rejected: BC Hydrogen Natural Gas Blending Study in the Energy Transformation program area, in the amount of \$600,000; and Development of Codes and Standards in the Energy Transformation program area, in the amount of \$100,000, as outlined in Section 2.1 of the Decision accompanying this order.
- 3. PNG is approved to continue to use the DSM funding transfer rules as set out in section 3.1 of the Decision accompanying this order.
- 4. PNG is approved to establish a rate base regulatory asset deferral account to record DSM expenditures up to the accepted limit of \$3,110,452 for the period 2023-2024.
- 5. PNG is approved to modify the amortization period applicable to the DSM regulatory asset deferral account to ten years, as outlined in Section 3.2 of the Decision accompanying this order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 29<sup>th</sup> day of June 2023.

BY ORDER

*Original signed by:*

E. B. Lockhart  
Commissioner