



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-106-15**

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

FortisBC Energy Inc.
Proposal to Include FortisBC Energy (Vancouver Island) Inc. and
FortisBC Energy (Whistler) Inc. into the 2014-2019 Multi-Year Performance Based Ratemaking Plan

BEFORE: D. M. Morton, Panel Chair/Commissioner
D. A. Cote, Commissioner June 23, 2015
N. E. MacMurchy, Commissioner

O R D E R

WHEREAS:

- A. On September 15, 2014, the British Columbia Utilities Commission (Commission) issued Order G-138-14 and the accompanying Decision, setting out the approved Performance Based Ratemaking (PBR) plan for FortisBC Energy Inc. (FEI) for the period from 2014 through 2019 (PBR Decision);
- B. The PBR Decision, on page 17, directed FEI to provide a detailed review of the historical expenditures of capital and operations and maintenance (O&M) for FortisBC Energy (Vancouver Island) Inc. (FEVI) and FortisBC Energy (Whistler) Inc. (FEW), as well as a formal proposal for including FEVI and FEW within the PBR plan;
- C. On November 14, 2014, FEI filed an application, requesting approval of the following:
 - An increase to its 2014 Base O&M by \$39.295 million, which includes an increase of \$36.564 million to reflect the O&M required for FEVI and FEW, and a further increase of \$2.731 million to reflect projected FEVI 2014 Company Use Gas;
 - An increase to its 2014 Base Capital by \$28.222 million to reflect the Capital Expenditures required for FEVI and FEW (Application);
- D. Commission Order G-183-14 established a preliminary regulatory timetable which included a Procedural Conference. By Order G-190-14, the Commission established December 17, 2014, as the date of the Procedural Conference;

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- E. On December 19, 2014, by Order G-202-14, the Commission established a regulatory timetable providing for FEI's filing of an Evidentiary Update and one round of Commission and intervener information requests (IRs), followed by parties' submissions on further process;
- F. On January 16, 2015, FEI filed its Evidentiary Update in accordance with Order G-202-14;
- G. On January 30, 2015, the Commission submitted IR No. 1 to FEI and on January 30, 2015, British Columbia Old Age Pensioners' Organization *et al.* (BCOAPO) and Commercial Energy Consumers Association of British Columbia (CEC) submitted IR No. 1 to FEI. FEI responded on March 2, 2015;
- H. On February 11, 2015, Commission Order G-17-15 amended the Regulatory Timetable established by Order G-202-14. In accordance with Order G-17-15, FEI, BCOAPO and CEC filed submissions regarding further process. FEI filed its reply submission on March 10, 2015;
- I. On March 16, 2015, Commission Order G-41-15 amended the Regulatory Timetable established by Order G-17-15 to include a second round of IRs to complete the evidentiary record;
- J. On March 23, 2015, the Commission and CEC submitted IR No. 2 to FEI. FEI responded on April 8, 2015;
- K. In accordance with Commission Order G-41-15, FEI filed its Final Submission on April 15, 2015;
- L. BCOAPO and CEC filed their Final Submissions on April 22, 2015;
- M. On April 29, 2015, FEI filed its Reply Submission; and
- N. The Commission considered the Application, evidence and submissions of the parties as set forth and discussed in the Decision issued concurrently with this order.

NOW THEREFORE pursuant to sections 58 to 61 of the *Utilities Commission Act*, for the reasons set out in the Decision, the British Columbia Utilities Commission orders as follows:

1. FortisBC Energy Inc. (FEI) is approved to increase its 2014 Base Operations and Maintenance (O&M) by \$38.498 million. The approved increase is comprised of the following:
 - (i) An increase of \$35.213 million to reflect the O&M required for FortisBC Energy (Vancouver Island) Inc. (FEVI);
 - (ii) An increase of \$696 thousand to reflect the O&M required for FortisBC Energy (Whistler) Inc. (FEW); and
 - (iii) An increase of \$2.589 million to reflect the re-classification of FEVI's Company Use Gas and gas control management fees from cost of gas to O&M.

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2. FEI is approved to increase its 2014 Base Capital by \$21.964 million, which includes an increase of \$21.564 million to reflect the capital expenditures required for FEVI and an increase of \$400 thousand to reflect the capital expenditures required for FEW.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of June 2015.

BY ORDER

Original signed by:

D. M. Morton
Panel Chair/Commissioner