

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-126-15**

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

and

FortisBC Energy Inc.
2015 System Extension Application

BEFORE: K. A. Keilty, Panel Chair/Commissioner
I. F. MacPhail, Commissioner July 23, 2015
D. M. Morton, Commissioner

O R D E R

WHEREAS:

- A. On June 30, 2015, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (Commission) for approval of changes to its Mains Extension Test (MX Test), Customer Connection Policy and related reporting requirements (Application);
- B. On June 9, 1995, by Order G-50-95, the Commission initiated a generic hearing into the main extension policy and economic tests of the natural gas and electrical distribution utilities in British Columbia. The process took a broad look at the policies to determine if opportunities existed to improve the fairness and efficiency and to make them more consistent with one another. The proceeding concluded with the issuance of the Utility System Extension Test Guidelines on September 5, 1996;
- C. From 2011 to 2012, in response to FEI's annual MX reports, the Commission issued Letters L-67-11, L-19-12, L-60-12, L-32-13 and a staff letter dated July 8, 2013;
- D. In 2013, FEI initiated a review of its System Extension and Connection Policies and conducted a series of workshops with interested stakeholders and Commission staff in 2014;
- E. On June 19, 2014, the Commission issued Letter L-34-14, which identified forecasting accuracy, and security and existing ratepayer protection as concerns related to FEI's MX policy;
- F. On August 22, 2014, the Commission issued letter L-44-14 encouraging FEI to complete its System Extension and Connection Policies review in a timely manner and to file an Application for revised MX policies that addresses the concerns raised in Letter L-34-14 by March 31, 2015;
- G. On December 19, 2014, FEI requested a filing extension for its System Extension Application due to resource constraints;

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- H. On February 20, 2015, the Commission granted a filing extension and directed FEI to file its System Extension Application by June 30, 2015; and
- I. The Commission has determined that a public hearing is necessary for the review of the Application.

NOW THEREFORE the Commission orders as follows:

1. A hearing process for review of the Application in accordance with the preliminary Regulatory Timetable attached as Appendix A to this order is hereby established.
2. FortisBC Energy Inc. must publish, within seven (7) days of the date of this order, a Public Notice of the hearing process, in the form attached as Appendix B to this order, in display-ad format, in the Vancouver Sun and the Province.
3. FortisBC Energy Inc. must provide a copy of this order to the 2014 System Extension and Connection Policies workshop participants and participants of the FortisBC Energy Inc. Multi-year Performance Based Ratemaking Plan for 2014 through 2018 proceeding.
4. The Application and supporting materials shall be made available to the public for inspection at FortisBC Energy Inc., 16705 Fraser Highway, Surrey, BC, at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, BC, on the FortisBC Energy Utilities website at www.fortisbc.com and on the BCUC website at www.bcuc.com.

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

BY ORDER

Original signed by:

K. A. Keilty
Commissioner

FortisBC Energy Inc.
2015 System Extension Application

REGULATORY TIMETABLE

ACTION	DATE (2015)
Registration of Interveners and Interested Parties	Tuesday, August 4
Commission Information Request No. 1 to FEI	Monday, August 10
Intervener Information Request No. 1 to FEI	Monday, August 17
FEI Response to Commission and Intervener Information Request No. 1	Friday, September 4
Intervener and FEI Submissions on Further Process	Friday, September 11
Further Process	To Be Determined

PUBLIC NOTICE

BRITISH COLUMBIA UTILITIES COMMISSION



FORTISBC ENERGY INC. 2015 SYSTEM EXTENSION APPLICATION

On June 30, 2015, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC) for approval of changes to its Mains Extension Test (MX Test), Customer Connection Policy and related reporting requirements (Application). The MX Test serves as a means for determining whether a main extension to the company's distribution system will be economic. The proposed changes to the MX Test include the discontinued use of a 20 year term and application of a 40 year term to the discounted cash flows used in the MX Test, consideration of a 10 year horizon for customer attachments in certain circumstances, application of a sliding-scale methodology to calculate the overhead rate, and discontinued application of Energy Efficiency Consumption credits. The proposed changes to the Customer Connection Policy include an updated Service Line Cost Allowance and the establishment of a \$1.0 million annual System Extension Fund. FEI proposes to discontinue use of the current MX reporting requirements and to provide a revised annual report.

HOW TO GET INVOLVED

Persons wishing to actively participate in the proceeding must register as an intervener through the Commission's website at www.bcuc.com or in writing by Tuesday, August 4, 2015. In their registration, interveners must identify the issues they intend to pursue and indicate the extent of their anticipated involvement in the review process. Intervenors will each receive a copy of all non-confidential correspondence and filed documentation, and must provide an email address if available.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as an interested party through the Commission's website or in writing, by Tuesday, August 4, 2015, identifying their interest in the proceeding. Interested parties receive electronic notice of submissions and a copy of the Decision when it is released.

Letters of comment on the Application will also be accepted. All submissions and/or correspondence received relating to the Application are provided to the Panel and all participants in the proceeding. Submissions are placed on the public record and posted to the Commission's website. By participating and/or providing comment on the Application, you agree that all submissions will be placed on the public record and posted on the Commission's website.

VIEW THE APPLICATION

The Application and all supporting documentation are available on the Commission's website on the "Current Applications" page. If you would like to review the material in hard copy, it is available to be viewed at the locations below:

British Columbia Utilities Commission Sixth Floor, 900 Howe Street Vancouver, BC V6Z 2N3	FortisBC Energy Inc. 16705 Fraser Highway Surrey, BC, V4N 0E8
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FOR MORE INFORMATION OR TO REGISTER

For more information or to register please contact Ms. Erica Hamilton, Commission Secretary using the contact information above.