



ORDER NUMBER
G-93-16

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

and

FortisBC Energy Inc.
Application for Recovery of Price Risk Management Workshop Participant Funding Requests

June 22, 2016

BEFORE:

D. A. Cote, Panel Chair/Commissioner
B. A. Magnan, Commissioner
R. D. Revel, Commissioner

ORDER

WHEREAS:

- A. On December 23, 2015, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (Commission) its Application for Recovery of Price Risk Management Workshop Participant Funding Requests (Participant Funding Recovery Application);
- B. On October 20, 2014, FEI filed with the Commission its Price Risk Management Review Report (PRM Review Report) which included recommendations by FEI for gas cost price risk management strategies. The PRM Review Report included a proposal of a workshop approach led by FEI (Consultation Process) for the purpose of discussing issues and concerns with the goal of developing mutually acceptable price risk management strategies and plans;
- C. On January 20, 2015, FEI filed an application seeking Commission approval for FEI to record all costs paid to stakeholders for participating in the Consultation Process in FEI's gas costs flow-through accounts for recovery through customer rates in the same manner as other gas flow-through costs;
- D. On January 30, 2015, the Commission replied to FEI advising that the request for recovery of costs incurred for stakeholder consultation could be made at the time of filing a price risk management application;
- E. FEI conducted the proposed Consultation Process during the first half of 2015. The Commercial Energy Consumers Association of British Columbia (CEC) and the British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization *et al.* (BCOAPO) together with a number of other stakeholders participated in the Consultation Process;
- F. BCOAPO, on September 24, 2015, and CEC, on October 27, 2015, each submitted a letter to FEI attesting to the usefulness and value of the Consultation Process;

- G. On October 27, 2015, FEI filed with the Commission a Price Risk Management Workshop Summary Report, which includes background information and a summary of the discussions in the Consultation Process;
- H. On December 23, 2015, FEI filed with the Commission the 2015 Price Risk Management Application (PRM Application), which includes requests for approval for the implementation of enhancements to the quarterly commodity rate setting mechanism, as it applies to FEI, and the implementation of a medium-term hedging strategy for FEI based on pre-defined market price targets and maximum volume limits;
- I. In the Participant Funding Recovery Application also filed December 23, 2015, FEI seeks approval for recovery of price risk management workshop participant funding costs from gas sales customers via FEI's flow-through gas cost accounts. These participant funding costs were incurred as a result of FEI reimbursing CEC and BCOAPO for a total of \$10,329.38 in costs related to their participation in the Consultation Process that led to the filing of the PRM Application;
- J. On March 3, 2016, the Commission issued a letter stating the review of the Participant Funding Recovery Application is suspended until the review of the 2015 PRM Application is completed;
- K. CEC and BCOAPO were each registered as interveners in the PRM Application proceeding and actively participated in the proceeding;
- L. On June 17, 2016, the Commission issued its decision and accompanying Order E-10-16 and Letter L-15-16 in the FEI PRM Application proceeding; and
- M. The Commission reviewed the Participant Funding Recovery Application and considers that recovery of the Consultation Process participant funding should be approved as requested by FEI.

NOW THEREFORE pursuant to sections 59-61 of the *Utilities Commission Act* the British Columbia Utilities Commission approves recovery, from FortisBC Energy Inc.'s (FEI) gas sales customers via FEI's flow-through gas cost accounts, of \$10,329.38 paid by FEI to certain stakeholders to cover the cost of their participation in the 2015 price risk management stakeholder consultation workshops.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of June 2016.

BY ORDER

Original signed by:

D. A. Cote
Panel Chair/Commissioner