



**ORDER NUMBER
G-111-16**

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

and

FortisBC Energy Inc.
Application to Extend the Gas Supply Mitigation Incentive Program
For the Period November 1, 2016 to October 31, 2019

BEFORE:

D. M. Morton, Commissioner
D. J. Enns, Commissioner
W. M. Everett, Commissioner
H. G. Harowitz, Commissioner
R. I. Mason, Commissioner
R. D. Revel, Commissioner

on July 14, 2016

ORDER

WHEREAS:

- A. On May 6, 2016, FortisBC Energy Inc. (FEI) filed an application seeking approval for an extension of the Gas Supply Mitigation Incentive Program (GSMIP) for a three year term for the period November 1, 2016 to October 31, 2019 (Application);
- B. By Order G-163-11 dated September 22, 2011, the British Columbia Utilities Commission (Commission) approved the FEI GSMIP for the November 1, 2011 to October 31, 2013 period;
- C. By Order G-174-13 dated October 24, 2013, the Commission approved extending the FEI GSMIP for a three year term for the period November 1, 2013 to October 31, 2016 (2013-2016 GSMIP), and approved including the mitigation activities performed by FEI on behalf of FortisBC Energy (Vancouver Island) Inc. (FEVI) in the 2013-2016 GSMIP;
- D. By Letter L-15-15 dated April 2, 2015, the Commission accepted amendments to the Term Sheet to reflect that FEVI was amalgamated with FEI. The amended 2013-2016 GSMIP Term Sheet was attached as Appendix A to Letter L-15-15. Section K of the 2013-2016 GSMIP Term Sheet requires that a full review of the GSMIP mechanism be conducted if the incentive payment during the term of the 2013-2016 GSMIP exceeds a variance threshold of \$1.6 million;
- E. By Letter L-2-16 dated March 10, 2016, the Commission accepted the GSMIP Year End Report for the period from November 1, 2014 to October 31, 2015 (2014/15 GSMIP Report), which included an incentive payment of \$2,058,642. The Commission noted that a full review of the GSMIP mechanism is required by Section K of the 2013-2016 GSMIP Term Sheet triggered by the incentive payment;

- F. In the Application, FEI proposes continuation of the existing GSMIP model and Term Sheet with the following revisions to be effective November 1, 2016:
- (a) Revise the fixed adjustment amount from \$165,000 to \$200,000, and
 - (b) Revise the Section K, Reporting Requirements, of the Term Sheet as proposed in the Application and reflected in the Blacklined and Proforma versions of the 2016-2019 GSMIP Term Sheet attached to the Application in Appendix A;
- G. The Commission considers that a written comment process is warranted and will seek submissions from stakeholders before making a determination or establishing any further review process on the Application.

NOW THEREFORE the British Columbia Utilities Commission orders as follows:

1. FortisBC Energy Inc. is directed to provide a copy of this order no later than Tuesday, July 19, 2016, to registered parties of the FEI Multi-Year Performance Based Ratemaking Plan for 2014-2019 proceeding.
2. Any stakeholder wishing to provide comments on the renewal of FortisBC Energy Inc.'s existing Gas Supply Mitigation Incentive Plan model and Term Sheet with the revisions as proposed in the Application should provide its submission to the Commission in writing, with a copy to FortisBC Energy Inc., by Tuesday, August 2, 2016, as follows:

By electronic submission via the BCUC web site at www.bcuc.com or, By email to Commission.Secretary@bcuc.com	By email to FortisBC Energy Inc.: Gas.Regulatory.Affairs@fortisbc.com
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3. FortisBC Energy Inc. must provide its reply submission, if any, to the Commission by Tuesday, August 9, 2016.
4. The FortisBC Energy Inc. Application and submissions by the parties, if any, will be made available on the Commission's website under the "Current Applications" page.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of July 2016.

BY ORDER

Original signed by:

D. M. Morton
Commissioner