



**ORDER NUMBER**  
**F-25-16**

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

and

FortisBC Energy Inc.  
Application for Approval of Biomethane Energy Charge Rate Methodology  
Participant Assistance / Cost-Award Applications

**BEFORE:**

D. M. Morton, Panel Chair/Commissioner  
H. G. Harowitz, Commissioner  
K. A. Keilty, Commissioner

on October 27, 2016

**ORDER**

**WHEREAS:**

- A. On August 28, 2015, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (Commission) an application for approval of Biomethane Energy Recovery Charge (BERC) rate methodology (Application);
- B. By orders G-147-15 dated September 18, 2015, G-181-15 dated November 19, 2015 and G-60-16 dated May 4, 2016, the Commission established a public hearing process consisting of one round of written information requests, a procedural conference and a stream-lined review process with final argument followed by supplemental argument;
- C. The following parties registered as interveners in the proceeding:
  - British Columbia Old Age Pensioners' Organization *et al* (BCOAPO);
  - BC Sustainable Energy Association and Sierra Club of British Columbia, jointly (BCSEA-SCBC); and
  - Commercial Energy Consumers Association of British Columbia (CEC);
- D. On August 12, 2016, the Commission issued its decision and accompanying Order G-133-16 in regard to the Application;
- E. The following participants filed Participant Assistance / Cost Award (PACA) applications with the Commission with respect to their participation in the Application:

Participant	Application Date	Application Amounts	Total PACA Request
BCOAPO	March 10, 2016 Original Application	\$12,505.00	\$14,120.43
	June 6, 2016 Supplemental Application	\$1,615.43	
BCSEA-SCBC	May 22, 2016 Revised Application	\$8,191.11	\$8,191.11
CEC	August 30, 2016 Revised Application	\$21,206.88	\$21,206.88

- F. On September 19, 2016, FEI submitted its comments on the PACA applications stating that, provided the Commission has no concerns with the time identified or the amounts applied for by the interveners, FEI has no comment; and
- G. The Commission reviewed the PACA applications in accordance with the criteria and rates, set out in the PACA Guidelines, attached to Commission Order G-72-07 and concludes the cost awards for BCOAPO and BCSEA-SCBC should be approved, and the CEC cost award should be reduced.

**NOW THEREFORE** pursuant to section 118(1) of the *Utilities Commission Act* and for the reasons for decision attached as Appendix A to this order, the British Columbia Utilities Commission orders as follows:

1. Funding is awarded to the following participants for their participation in the FortisBC Energy Inc. Biomethane Energy Recovery Charge Rate Methodology proceeding:

Participant	PACA Request	PACA Award
British Columbia Old Age Pensioners' Organization <i>et al</i>	\$14,120.43	\$14,120.43
BC Sustainable Energy Association and the Sierra Club of British Columbia, jointly	\$8,191.11	\$8,191.11
Commercial Energy Consumers Association of British Columbia	\$21,206.88	\$18,206.88

2. FortisBC Energy Inc. is directed to reimburse the above-noted participants in a timely manner.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 27th day of October 2016.

BY ORDER

*Original Signed By:*

D. M. Morton  
Panel Chair/Commissioner

Attachment

**FortisBC Energy Inc.**

Application for Approval of Biomethane Energy Charge Rate Methodology  
Participant Assistance / Cost Award Applications

**REASONS FOR DECISION**

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**1.0 BACKGROUND**

The FortisBC Energy Inc. (FEI) Biomethane Energy Recovery Charge (BERC) Rate Methodology Application (Application) was reviewed by way of a public hearing process.

By Order G-147-15 dated September 18, 2015 the British Columbia Utilities Commission (Commission) established the initial regulatory timetable directing FEI to file supplementary information and providing for one round of written Information Requests (IR No. 1), followed by a procedural conference on November 16, 2015 to determine the remaining regulatory process. The Commission issued Order G-181-15 dated November 19, 2015 establishing a regulatory timetable setting out the remaining regulatory process, including a Stream-Lined Review process (SRP) on February 4, 2016 preceded by submission of technical questions to be answered at the SRP.

On April 22, 2016 the Commission issued a letter to FEI and registered interveners indicating the Panel was considering whether it would be appropriate to establish floor prices and ceiling prices for each of the two proposed BERC rate offerings. The letter asked parties if they wished to file evidence on this matter. FEI and each of the interveners indicated they did not intend to file further evidence. On May 4, 2016 the Commission issued Order G-60-16, setting out a timetable for filing of supplemental argument in regard to floor and/or ceiling prices. By May 18, 2016 the Commission received final supplemental argument from interveners and FEI on the Application.

British Columbia Old Age Pensioners' Organization *et al* (BCOAPO), BC Sustainable Energy Association and Sierra Club of British Columbia (jointly BCSEA-SCBC), and the Commercial Energy Consumers Association of British Columbia (CEC) registered as interveners in the proceeding. Each of the three interveners participated in IR No. 1, the procedural conference, and SRP and submitted both final and supplemental argument.

**2.0 PACA GUIDELINES**

The PACA Guidelines discuss the eligibility requirements and criteria used in assessing cost awards, including the process for applying for a cost award and eligible costs and rates. The Panel first considers whether the participant has a substantial interest in a substantial issue in the proceeding, in determining an award of all or any portion of a participant's costs. Except in limited circumstances, it is expected that only ratepayer groups will establish a substantial interest in a substantial issue so as to be eligible for an award in a revenue requirements proceeding. The principal interest of ratepayer groups will be the rate impacts of the revenue requirements to be paid by the ratepayer participants.

The Panel then considers the following:

- i. Will the participant be affected by the outcome?
- ii. Has the participant contributed to a better understanding of the issues by the Commission?

- iii. Are the costs incurred by the participant for the purposes of participating in the proceeding fair and reasonable?
- iv. Has the Participant joined with other groups with similar interests to reduce costs?
- v. Has the Participant engaged in any conduct that tended to unnecessarily lengthen the duration of the proceeding?
- vi. Any other matters appropriate in the circumstances.

If the Panel considers it to be an appropriate consideration in a proceeding, we may consider the participant's ability to participate in the proceeding without an award.

### 3.0 DETERMINATION OF COST AWARD FOR CEC

CEC represents the interests of its members who are commercial class customers of FEI. In its PACA application, CEC submits that these customers represent a significant portion of FEI's rate base and their interests are significantly impacted by the Application. CEC requests \$21,206.88 in cost award, inclusive of applicable taxes.

#### Commission determination

In consideration of the PACA Guidelines, the Panel finds that CEC is eligible for PACA funding in this proceeding as it is a ratepayer group and has a substantial interest in a substantial issue. CEC explored the alignment of supply and demand, the relationship of marketing and customer awareness activities to renewable natural gas (RNG) sales activity, price elasticity and the impact of proposed transfers on non-RNG customers. CEC proposed a number of alternative BERC rate designs of varying complexity and the development of metrics to measure the effectiveness of the marketing and customer awareness spend.

In its review of CEC's PACA request, the Panel considered the following criteria in greater detail:

- Has the participant contributed to a better understanding of the issues by the Commission?
- Has the Participant engaged in any conduct that tended to unnecessarily lengthen the duration of the proceeding?

With regard to the first question, the Panel wishes to elaborate on our expectations regarding how an intervener can best contribute to our understanding of the issues. In making the decision for the Application, the Panel relied heavily on final arguments to understand the impact of the approvals sought by the utility. The expectation is that an intervener's argument will focus on issues of interest to the parties it represents and should be a logical, well laid out, succinct summation of these issues.

With regard to the question of whether CEC contributed to our better understanding of the issues, the Panel considered the final and supplemental argument of CEC and finds that the quality of CEC's argument did not meet the expectations of the Panel. The Panel finds that CEC's final argument, in particular, was lengthy, difficult to understand and lacked focus. The Panel agrees with FEI, as submitted in its reply argument, that CEC includes discussion of a number of complex rate design alternatives which are not feasible or not supported by the evidence<sup>1</sup>. In addition, although the Panel ruled in the procedural conference that the supply caps on

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<sup>1</sup> FEI Reply Argument, pp. 13, 21.

biomethane purchases were out of scope in the subject proceeding<sup>2</sup>, CEC included submissions regarding the acquisition of biomethane supply in its argument.<sup>3</sup>

The Panel is concerned with time spent on items that are out of scope for the proceeding at hand, as this will tend to unnecessarily lengthen the duration of the proceeding. The Panel observes that CEC spent time in the SRP exploring the details of a separate, but concurrent, application by FEI for section 71 acceptance of its Surrey biomethane purchase agreement. This first prompted FEI's counsel<sup>4</sup>, and then the Panel Chair<sup>5</sup>, to question the relevance of CEC's line of questioning.

For these reasons, the Panel determines that a reduction in the requested cost award sought by CEC is warranted. **The Panel approves a cost award to CEC reduced by \$3,000.00 to \$18,206.88 inclusive of applicable taxes.**

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<sup>2</sup> Procedural Conference Transcript Volume 1, p. 29.

<sup>3</sup> CEC Final Argument, pp. 8–9.

<sup>4</sup> Streamlined Review Process Transcript Volume 2, p. 122.

<sup>5</sup> *Ibid.*, p. 124.