

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-99-13**

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

Application by FortisBC Energy Inc.
for Approval of a Multi-Year Performance Based Ratemaking Plan for the years 2014 through 2018

BEFORE: D.M. Morton, Panel Chair/Commissioner
D.A. Cote, Commissioner June 21, 2013
N.E. MacMurchy, Commissioner

O R D E R

WHEREAS:

- A. On June 10, 2013, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (Commission) for approval of a proposed multi-year Performance Based Ratemaking (PBR) plan for the years 2014 through 2018, and for approval of a permanent natural gas delivery rate increase of approximately 0.7 percent as compared to 2013 permanent delivery rates effective January 1, 2013, pursuant to sections 59 to 61 of the *Utilities Commission Act* (Act) (Application);
- B. FEI further seeks approval of the Rate Stabilization Adjustment Mechanism rider for applicable rate classes for 2014 as set out in the Application;
- C. FEI seeks, among other things, approvals including: allocation of costs for corporate and shared services; discontinuation, continuation and creation of deferral accounts; and the amortization and disposition of balances in deferral accounts;
- D. FEI, FortisBC Energy (Vancouver Island) Inc. and FortisBC Energy (Whistler) Inc. (together, the FortisBC Energy Utilities) seek acceptance of Energy Efficiency and Conservation expenditures pursuant to section 44.2 of the Act;
- E. FEI requests that the regulatory process used to establish the terms of the PBR include a negotiated settlement process; and
- F. The Commission considers that establishing a preliminary Regulatory Timetable and a Procedural Conference to determine the appropriate regulatory process for the remaining review of the Application is warranted.

NOW THEREFORE the Commission orders as follows:

1. A preliminary Regulatory Timetable as set out in Appendix A to this Order is established.
2. A Procedural Conference regarding the regulatory process for the remaining review of the Application will be held on Thursday, September 5, 2013, commencing at 9:00 a.m. in the Commission Hearing Room on the 12th Floor, 1125 Howe Street, Vancouver, BC.
3. The Procedural Conference will address matters such as:
 - a. identification of principle issues arising from or related to the Application including:
 - performance based ratemaking
 - 2013 approved amounts as adjusted by FEI to form the 2013 base
 - b. process options for review of the Application, including:
 - negotiated settlement process;
 - written hearing;
 - oral public hearing; or
 - as appropriate, some combination of the above;
 - c. timetable (information requests, responses, intervener evidence, etc.);
 - d. location(s) of the proceedings;
 - e. other matters that will assist the Commission to efficiently review all aspects of the Application.

After the Procedural Conference, the Commission will issue a further procedural order and regulatory agenda for the review of the Application.

4. FEI must publish, as soon as possible, in display-ad format, the Notice attached as Appendix B to this Order, in the Vancouver Sun, the Province, and other such appropriate local news publications to properly provide adequate notice to customers served in the affected service areas.
5. The Application, together with any supporting materials, must be made available for inspection at FortisBC Energy Inc., 16705 Fraser Highway, Surrey, BC, V4N 0E8, and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3 and will also be available on the FortisBC website at www.fortisbc.com and on the Commission website at www.bcuc.com.

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6. Interveners or Interested Parties must register with the Commission, in writing or electronic submission, by Tuesday, July 16, 2013. Interveners should specifically state the nature of their interest in the Application and identify generally the nature of the issues that they may intend to pursue during the proceeding and the nature and extent of their anticipated involvement in the review process.

DATED at the City of Vancouver, in the Province of British Columbia, this 21st day of June of 2013.

BY ORDER

Original signed by:

D.M. Morton
Panel Chair/Commissioner

Attachments

Application by FortisBC Energy Inc.
for Approval of a Multi-Year Performance Based Ratemaking Plan for the years 2014 through 2018

PRELIMINARY REGULATORY TIMETABLE

ACTION	DATE (2013)
Interveners and Interested Parties Registration	Tuesday, July 16
Commission Information Request No. 1 to FEI	Tuesday, July 23
Intervener Information Request No. 1 to FEI	Tuesday, July 30
FEI Response to Information Requests No. 1	Friday, August 23
Procedural Conference	Thursday, September 5
Filing of Participant / Cost Award Budgets	Tuesday, September 10
Commission Information Request No. 2 to FEI (Tentative)	Thursday, September 19
Intervener Information Request No. 2 to FEI (Tentative)	Thursday, September 19

Procedural Conference Location:
Commission Hearing Room
Twelfth Floor, 1125 Howe Street
Vancouver, BC
Commencing at 9:00 a.m.



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NOTICE OF APPLICATION AND PROCEDURAL CONFERENCE

	PROCEDURAL CONFERENCE
Date:	Thursday, September 5, 2013
Time:	9:00 a.m.
Location:	Commission Hearing Room Twelfth Floor, 1125 Howe Street Vancouver, BC

THE APPLICATION

On June 10, 2013, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission for approval of a proposed multi-year Performance Based Ratemaking (PBR) plan for the years 2014 through 2018, and for approval of permanent natural gas delivery rates effective January 1, 2014, pursuant to sections 59 to 61 of the *Utilities Commission Act* (Application).

Among other things, FEI seeks approval of the following:

- A natural gas delivery rate increase of approximately 0.7 percent effective January 1, 2014, and approval of the Rate Stabilization Adjustment Mechanism rider for applicable rate classes as set out in the Application.
- Discontinuation, continuation, and creation of deferral accounts and the amortization and disposition of balances in deferral accounts; and pursuant to section 44.2 of the Act, for Energy Efficiency and Conservation expenditures for FEI, FortisBC Energy (Vancouver Island) Inc. (FEVI) and FortisBC Energy (Whistler) Inc. (FEW) (together, the FortisBC Energy Utilities).
- Changes to certain accounting policies to be used in the determination of rates for FEI.
- The continuation of the debiting of the Midstream Cost Reconciliation Account and crediting of the delivery margin revenue in the amount of \$3.6 million per year for the 2014-2018 PBR period.
- The allocation of costs for corporate services between FortisBC Holdings Inc. and FEI and for Shared Services as between FEI and FEVI, and between FEI and FEW, as reflected in the Corporate Services Agreement and Shared Service Agreements. Approval of these cost allocations is subject to FEVI and FEW receiving regulatory approval for the same allocation in their next revenue requirements application filings.

THE REGULATORY PROCESS

British Columbia Utilities Commission (Commission) Order G-99-13 has established a Procedural Conference and a Preliminary Regulatory Timetable for the regulatory review of the Application.

The detailed Regulatory Timetable can be reviewed on the Commission's website at www.bcuc.com>Current Applications>.

The Commission will hold a Procedural Conference regarding the further regulatory process for the review of the Application on Thursday, September 5, 2013 commencing at 9:00 a.m. in the Commission Hearing Room on the 12th Floor, 1125 Howe Street, Vancouver, BC.

REGISTERING TO PARTICIPATE

Persons who wish to actively participate in this proceeding should register as Interveners with the Commission in writing by Tuesday, July 16, 2013, and should identify the issues that they intend to pursue as well as the nature and extent of their anticipated involvement in the review process indicating whether they plan to attend the Procedural Conference. Interveners will receive email notice of all correspondence and filed documents. An e-mail address should be provided if available.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as Interested Parties with the Commission in writing, by Tuesday, July 16, 2013 identifying their interest in the Application. Interested Parties will receive a copy of the Commission's Decision when issued.

PUBLIC INSPECTION OF DOCUMENTS

The Application and supporting material will be made available for inspection at the following locations:

FortisBC Energy Utilities
16705 Fraser Highway
Surrey, BC V4N 0E8

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, BC V6Z 2N3

The Application and supporting material are also available for viewing on the following web sites:

<http://www.fortisbc.com>

<http://www.bcuc.com>

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission's website.

FURTHER INFORMATION

For further information, please contact Ms. Erica Hamilton, Commission Secretary, as follows:

Commission Secretary
Telephone: (604) 660-4700
Facsimile: (604) 660-1102
Email: Commission.Secretary@bcuc.com
BC Toll Free: 1-800-663-1385