



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER F-12-12**

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

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

Applications for Participant Assistance/Cost Award  
in the FortisBC Energy Utilities Application  
(comprising FortisBC Energy Inc., FortisBC Energy Inc. Fort Nelson Service Area,  
FortisBC Energy (Whistler) Inc., and FortisBC Energy (Vancouver Island) Inc.)  
for Approval of 2012 and 2013 Natural Gas Rates

**BEFORE:** D.A. Cote, Panel Chair/Commissioner  
A.A. Rhodes, Commissioner June 27, 2012  
N.E. MacMurchy, Commissioner

**O R D E R**

**WHEREAS:**

- A. On May 4, 2011, the FortisBC Energy Utilities (FEU or the Companies) filed an application (Exhibit B-1) for the Revenue Requirements of FortisBC Energy Inc. (FEI), the Fort Nelson Service Area of FEI (Fort Nelson), FortisBC Energy (Whistler) Inc. (FEW), and FortisBC Energy (Vancouver Island) Inc. (FEVI), and for approval of interim and permanent natural gas delivery rates effective January 1, 2012, and permanent natural gas delivery rates effective January 1, 2013 (RRA), pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act* (the Act). The Application stated any variance between 2012 interim rates and permanent rates are to be refunded to or collected from customers by way of a rate rider following the approval of 2012 permanent rates;
- B. By Order G-44-12 dated April 12, 2012, the British Columbia Utilities Commission (Commission) approved rates for the FEU for the 2012 and 2013 test period in relation to the RRA;
- C. Between February 7, 2012 and May 9, 2012, the following Interveners filed applications for Participant Assistance/Cost Award (PACA) funding:
  - British Columbia Old Age Pensioners' Association *et al.* (BCOAPO);
  - BC Sustainable Energy Association and the Sierra Club of British Columbia (BCSEA);
  - Commercial Energy Consumers Association of BC (CEC);
  - Corix Multi-Utility Services Inc. (Corix);
  - Energy Services Association of Canada (ESAC); and
  - Large Industrials Users Group (LIUG);
- D. By letters dated May 4, and May 16, 2012 to the Commission, the FEU provided comments regarding the overall RRA PACA and specific comments on each PACA applications;

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER F-12-12**

2

- E. The Commission has reviewed the PACA applications with regard to the criteria and rates set out in the PACA Guidelines in Commission Order G-72-07 and has concluded that cost awards should be approved for Participants in the proceeding, as set out in the Reasons for Decision that are attached as Appendix A to this Order.

**NOW THEREFORE** pursuant to section 118(1) of the *Utilities Commission Act*, the Commission approves:

1. Participant Assistance Cost Awards in the following amounts with respect to their participation in the proceeding:

<b>Participant</b>	<b>Application</b>	<b>Award</b>
British Columbia Old Age Pensioners' Organization, <i>et al.</i>	\$60,786.13	\$60,786.13
BC Sustainable Energy Association, <i>et al.</i>	96,619.43	96,619.43
Commercial Energy Consumers of BC	85,816.39	85,816.39
Corix Multi-Utility Services Inc.	49,728.00	49,728.00
Energy Services Association of Canada	41,970.00	41,970.00
Large Industrials Users Group	16,100.00	16,100.00

2. The FEU are directed to reimburse the above noted participants for the award amounts in a timely manner.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 27<sup>th</sup> day of June 2012.

BY ORDER

*Original signed by:*

D.A. Cote  
Panel Chair/Commissioner

Attachment

Applications for Participant Assistance/Cost Award  
in the Application by Fortis Energy Utilities  
for the Review of the 2012/2013 Revenue Requirements Application

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**REASONS FOR DECISION**

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**1.0 INTRODUCTION**

On April 12, 2012, the British Columbia Utilities Commission (Commission) issued Order G-44-12 wherein it approved natural gas delivery rates for the Fortis Energy Utilities in relation to the 2012/2013 Revenue Requirements Application (RRA).

The Commission has received six applications from Interveners pursuant to section 118 of the *Utilities Commission Act* (the Act) for Participant Assistance/Cost Award (PACA) funding for the RRA proceeding totaling \$351,019.95.

The Commission PACA Guidelines are set out in Appendix A to Order G-72-07 state that the Commission Panel will first consider whether the Participant has a substantial interest in a substantial issue in the proceeding. The Commission Panel will then consider 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? (This criterion will not, by itself, disqualify a Participant for pursuing a relevant position in good faith and with reasonable diligence)
- (vi) Any other matters appropriate in the circumstances.

**2.0 PROCEEDING AND PREPARATION DAYS**

As outlined in Section 4 of the PACA Guidelines, the term proceeding day encompasses the following: workshop days, negotiation days, pre-hearing conference days, hearing days and oral argument days. In addition, the Commission Panel may award costs for preparation days which is typically on a ratio of up to two days per proceeding day. The PACA Guidelines allow for an adjustment to this ratio where there has been adequate justification from Participants.

The Commission Panel has determined that the number of proceeding days in the RRA is 9 which would normally result in an allowable preparation time of 18 days.

### 3.0 PACA APPLICATIONS

The Commission received six PACA applications summarized in the table below:

Participant	Application
British Columbia Old Age Pensioners' Organization <i>et al.</i> (BCOAPO)	\$60,786.13
B.C. Sustainable Energy Association <i>et al.</i> (BCSEA)	\$96,619.43
Commercial Energy Consumers of BC (CEC)	\$85,816.39
Corix Multi-Utility Services Inc. (Corix)	\$49,728.00
Energy Services Association of Canada (ESAC)	\$41,970.00
Large Industrials Users Group (LIUG)	\$16,100.00
<b>TOTAL</b>	<b>\$351,019.95</b>

The FEU were asked to comment on each of the PACA applications. The FEU provided comments on the initial PACA applications in their letters of May 4 and May 16, 2012.

### 4.0 AWARDS OF INDIVIDUAL PACA APPLICATION AMOUNTS

The Commission Panel has reviewed all six PACA applications, has considered the comments of the FEU and makes the following determinations with respect to cost awards:

#### BCOAPO

BCOAPO claims for costs total \$60,786.13 (including HST). The FEU expressed no concern with the claims submitted by BCOAPO. The Commission Panel considers BCOAPO as having a substantial interest and a broad scope with respect to substantial issues in the proceeding and notes that it participated fully. **Accordingly, the BCOAPO claim for a cost award of \$60,786.13 is granted.**

#### BCSEA

BCSEA claims for costs total \$96,619.43 (including HST). The FEU expressed no concern with the claims submitted by BCSEA. The Panel views the BCSEA's limited participation in the RRA as reflective of its interest in the proceedings, is satisfied that it made a good contribution and that the amount of time being claimed for is consistent with PACA Guidelines and not unreasonable. **Accordingly, the BCSEA claim for a cost award of \$96,619.43 is granted.**

#### CEC

The CEC has claimed costs which total \$85,816.39 (including HST, applicable GST and PST). The FEU expressed no concern with the claim submitted by the CEC. The Commission Panel considers the CEC as having a substantial interest in the substantial issues in the proceedings and that it participated fully. **Accordingly, the CEC cost award amount is \$85,816.39 is granted.**

Corix

Corix has claimed costs which total \$49,728.00 (including HST). The FEU raised issue with respect to Corix's entitlement to PACA funding under Commission Guidelines given that Corix has sufficient financial resources to participate in Commission Proceedings without access to PACA funding. The FEU also note that in past Commission proceedings, Corix has not received PACA funding due to their available funding resource. While funding may not have been made available in the past for these reasons, the Commission Panel considers Corix's contribution in this particular Application a unique circumstance. The Panel notes that Corix's participation resulted in significant evidence in relation to substantial Alternative Energy Solutions (AES) issues within the proceedings. Evidence resulting from Corix's participation, while centered on its own interests, was of value to the interests of all competitors of the FEU's alternative energy services. The Panel believes that the costs associated with generating this evidence are fair and reasonable, provided value to the proceeding and impacted the outcome of the Commission's Decision on this Application. Further, the Commission Panel believes that costs incurred by Corix in relation to this PACA request extend beyond costs that Corix should bear independently. While Corix did not participate in all issues of the proceeding, the Commission Panel notes that Corix's PACA request reflects its limited participation days within its request and that amounts of time being claimed are consistent with provisions outlined in Commission Letter L-9-11. **Accordingly, the Corix claim for a cost award of \$49,728.00 is granted.**

ESAC

ESAC has claimed costs which total \$41,970.00. The FEU noted that in their view ESAC has sufficient financial resources to participate in a proceeding such as the RRA without PACA funding due to the nature of its membership. Further, the FEU take exception to ESAC's conduct and approach in the proceeding submitting that no PACA funding should be provided based on these matters alone as would be consistent with treatment within the court system. The Commission Panel believes that ESAC has a very significant interest in significant AES issues within the RRA and that through its efforts and collaboration ESAC was able to develop important evidence within this proceeding. The Panel notes that ESAC's evidence was of value to the Application and its outcome. Further, the Commission Panel believes the ESAC PACA request to be reasonable given the limited issues in which ESAC participated. While ESAC members may have sufficient financial resources at their disposal, the Panel does not believe in this instance that this factor is sufficient justification to deny ESAC PACA funding. ESAC's participation represented multiple alternative energy industry participants and was of value to the overall competitive alternative energy industry. Also, while the FEU may take exception with ESAC's conduct, the Commission Panel is not of the view that such conduct was disruptive or detrimental to the RRA. **Accordingly, the ESAC claim for a cost award of \$41,970 is granted.**

LIUG

The LIUG has claimed costs which total \$16,100 (including HST, applicable GST and PST). The FEU expressed no concern with the claim submitted by the LIUG. The Commission Panel considers the LIUG as having a substantial interest in the substantial issues in the proceedings and that it participated fully. **Accordingly, the LIUG cost award amount is \$16,100 is granted.**