



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER F-7-13**

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

and
Applications for Participant Assistance/Cost Awards
in the FortisBC Energy Utilities
(comprising FortisBC Energy Inc., FortisBC Energy Inc. Fort Nelson Service Area,
FortisBC Energy (Whistler) Inc., and FortisBC Energy (Vancouver Island) Inc.)
Common Rates, Amalgamation and Rate Design Application

BEFORE: A.A. Rhodes, Panel Chair/Commissioner
C.A. Brown, Commissioner
D.A. Cote, Commissioner April 3, 2013
L.A. O'Hara, Commissioner
R.D. Revel, Commissioner

O R D E R

WHEREAS:

- A. On April 11, 2012, the FortisBC Energy Utilities (FEU or the Companies) filed an Application with the British Columbia Utilities Commission (Commission) seeking, among other things:
- A Commission determination and report pursuant to section 53 of the *Utilities Commission Act* (Act) that the amalgamation of the FEU and Terasen Gas Holdings Inc. into a single entity is beneficial in the public interest;
 - Referral of the Commission report to the Lieutenant Governor in Council in support of an Order for approval to amalgamate effective January 1, 2014; and
 - The necessary approvals pursuant to sections 59 to 61 of the Act to adopt common or "postage stamp" rates for natural gas delivery and gas supply and uniform service offerings across all areas served by the FEU following amalgamation;
- B. On April 17, 2012, the Commission issued Order G-46-12 establishing a Preliminary Regulatory Timetable for the review of the Application;
- C. A Procedural Conference was held on Friday, June 15, 2012, after which Commission Order G-83-12 was issued to establish a further Regulatory Timetable;
- D. A second Procedural Conference was held August 2, 2012, after which Commission Order G-106-12 was issued to establish a further Regulatory Timetable and a Written Hearing Process;

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- E. On February 25, 2013, the Commission issued Order G-26-13 together with its Decision on the FEU Common Rates, Amalgamation and Rate Design Application;
- F. Between October 26, 2012, and November 20, 2012, the following Interveners filed applications for Participant Assistance/Cost Award (PACA) funding:
- BC Residential Utility Customers Association (BCRUCA);
 - British Columbia Pensioners' and Seniors' Organization (BCPSO, formerly known as BCOAPO *et al.*);
 - Fort Nelson and District Chamber of Commerce (FNDCC);
 - Commercial Energy Consumers Association of British Columbia (CEC);
- G. By letter dated March 1, 2013, the FEU indicated they had no comments on PACA applications;
- H. 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.

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

1. As per the Reasons for Decision attached to this Order, funding is awarded to the following for their participation in the FortisBC Energy Utilities Common Rates, Amalgamation and Rate Design Application proceeding:

Applicant	Award
BC Residential Utility Customers Association (BCRUCA)	\$5,371.50
British Columbia Pensioners' and Seniors' Organization <i>et al.</i> (BCPSO, formerly known as BCOAPO <i>et al.</i>)	\$30,254.19
Fort Nelson and District Chamber of Commerce (FNDCC)	\$19,800.00
Commercial Energy Consumers Association of British Columbia (CEC)	\$26,740.00
Total	\$82,165.69

2. FortisBC Energy Utilities 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 4th day of April 2013.

BY ORDER

Original signed by:

A.A. Rhodes
Panel Chair/Commissioner

Attachment

Applications for Participant Assistance/Cost Awards
in the FortisBC Energy Utilities
(comprising FortisBC Energy Inc., FortisBC Energy Inc. Fort Nelson Service Area,
FortisBC Energy (Whistler) Inc., and FortisBC Energy (Vancouver Island) Inc.)
Common Rates, Amalgamation and Rate Design Application

REASONS FOR DECISION

1.0 INTRODUCTION AND BACKGROUND

By Order G-46-12 dated April 17, 2012, the British Columbia Utilities Commission (Commission) established a preliminary Regulatory Timetable, Workshop and Procedural Conference for the FortisBC Energy Utilities' (FEU) Common Rates, Amalgamation and Rate Design Proceeding.

The Commission has received four applications from Interveners pursuant to section 118 of the *Utilities Commission Act* for Participant Assistance/Cost Award (PACA) funding totaling \$98,980.58.

The Commission PACA Guidelines are set out in Appendix A to Order G-72-07 and 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.

If the Commission Panel considers it appropriate, the Commission Panel may consider the Participant's ability to participate in the proceeding without an award.

2.0 PROCEEDING AND PREPARATION DAYS

The Proceeding was heard by way of written hearing and consisted of the following:

- Workshop - April 30, 2012;
- Two Procedural Conferences - June 15, 2012 and August 1, 2012;
- 2 rounds of Information Requests;
- Intervener Evidence Submitted by Fort Nelson District and Chamber of Commerce (FNDCC), Association of Vancouver Island and Coastal Communities, and Randolph Robinson; and
- Final Submissions.

While the Commission Panel acknowledges that the PACA Guidelines do not specify hearing days for the written hearing format, it has allowed a total of 11 proceeding days for the purposes of awarding PACA for this Proceeding.

3.0 PACA APPLICATIONS

The Commission received four PACA applications as summarized in the table below:

Intervener	Personnel/Item	Number of Days	Rate (\$)	Amount Requested (\$)	Disbursements (\$)	Total Request
BC Pensioners and Seniors' Organization (BCPSO)	Legal Counsel (3)	11 days	1,200 -1,800/day	20,451		
	Consultant – Ecoanalysis Consulting services	7 days	1,250/day	9,800		
	Disbursements – long distance phone				2.99	
	\$30,254					
Fort Nelson District and Chamber of Commerce (FNDCC)	Legal Counsel	11 days	\$1,800			\$19,800
BC Residential Utility Customers Association (BCRUCA)	Consultant – Leroux Regulatory Consulting	13.2 days (105.5 hours)	181/hr		21,423	
	Disbursements - printing			0	62.40	
	\$21, 486					
Commercial Energy Consumers (CEC)	Legal Counsel	6.3	1,800	11,340		
	Consultant – Consolidated Management Consultants	11.5	1,250	16,100		
	\$27,440					

Note: all PACA applications included the applicable HST

As the party responsible to pay the funding awards, the FEU were given the opportunity to comment on the PACA applications. In a letter dated March 1, 2013, the FEU stated “so long as the Commission has no concerns with the time identified or the amounts applied for, the FEU have no comments on the amounts submitted.”

4.0 AWARDS OF INDIVIDUAL PACA AMOUNTS

The Commission Panel has reviewed the five PACA applications and makes the following determinations with respect to cost awards.

BCPSO

BCPSO participated in this proceeding by attending the Workshop, the 2 procedural conferences, submitting 2 rounds of Information Requests and a 13 page Final Submission.

The Commission Panel finds that BCPSO has a substantial interest in a substantial issue in the proceeding and the amount that it is applying for falls within the PACA Guidelines and within the Commission Panel's estimated number of days as stated in Section 2.0. **Accordingly, the BCPSO's claim for a cost award of \$30,254.19 is granted.**

FNDCC

FNDCC participated in this proceeding by participating in the 2 procedural conferences (one by way of email submission), submitting 2 rounds of Information Requests, submitting Intervener Evidence, responding to Information Requests on its Intervener Evidence and submitting an 80 page Final Submission.

The Commission Panel finds that FNDCC has a substantial interest in a substantial issue in the proceeding. Moreover, the Panel finds that FNDCC's submissions contributed to a better understanding of the issues by the Commission. FNDCC's application falls within the PACA Guidelines and within the Commission Panel's estimated number of days as stated in Section 2.0. **Accordingly, FNDCC's claim for a cost award of \$19,800.00 is granted.**

BCRUCA

BCRUCA participated in this proceeding by submitting 1 round of Information Requests and submitting a 3 page Final Submission. BCRUCA did not attend the Workshop or the Procedural Conferences.

The Commission Panel has concerns about the degree of actual involvement of the BCRUCA, the degree to which its participation contributed to a better understanding of the issues by the Commission and the degree to which the group has a substantial interest in this proceeding.

Regarding BCRUCA's contribution to the proceeding, the group provided 1 round of Information Requests and a 3 page Final Submission but claims 13.2 days of work. Other Interveners participated to a much greater extent and are claiming the accepted 11 days.

Regarding BCRUCA's substantial interest in this proceeding, the Commission Panel has concerns about BCRUCA's claim to be "composed of residential utility customers who represent the largest percentage of customers whose interests and rates for natural gas in the areas affected will be affected by this application." The Commission Panel acknowledges the information BCRUCA filed on March 4, 2013, at the Commission Secretary's request, about the membership and representation of BCRUCA. In that March 4, 2013 filing, BCRUCA provided information on its membership stating that it is "a Society providing a consolidated view and perspective of the average residential utility customer." However, the information provided by BCRUCA on the membership of the society and how input is sought from members does not support the claimed representation of the average residential utility ratepayer. The Commission Panel understands that the Commission Secretary will be following up with BCRUCA to request more information to address these concerns but at this time, the Commission Panel finds it warranted to reduce BCRUCA's cost award to reflect this lack of evidence of a substantial interest.

Given the contribution of BCRUCA to the understanding of the issues, and the Panel's concerns regarding a substantial interest as discussed above, the Commission Panel reduces the BCRUCA PACA to 25% of the amount requested. **BCRUCA is granted a cost award of \$5,371.50.**

CEC

CEC participated in this proceeding by attending the Workshop and the 2 Procedural Conferences, submitting 2 rounds of Information Requests and submitting a 20 page Final Submission.

The CEC's claim for days of participation is outside that allowed by this Panel for this Proceeding. CEC's cost award is accordingly adjusted for the allowable number of days. **CEC is granted a cost award of \$26,740.00.**