



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-174-13**

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

and

FortisBC Energy Inc. and FortisBC Energy (Vancouver Island) Inc.
Application to Extend the Gas Supply Mitigation Incentive Program
for the Period November 1, 2013 – October 31, 2016 (2013-2016 GSMIP), and
for Approval to Include the Mitigation FEI Performs on Behalf of FEVI in the 2013-2016 GSMIP

BEFORE:

L.F. Kelsey, Commissioner
C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner
B.A. Magnan, Commissioner
D.M. Morton, Commissioner
R.D. Revel, Commissioner
C. van Wermeskerken, Commissioner

October 24, 2013

O R D E R

WHEREAS:

- A. By Order G-163-11 dated September 22, 2011, the British Columbia Utilities Commission (Commission) approved the FortisBC Energy Inc. (FEI) Gas Supply Mitigation Incentive Program (GSMIP) for the November 1, 2011 to October 31, 2013 period (2011-2013 GSMIP). The 2011-2013 GSMIP was described in the Term Sheet attached as Appendix A to Order G-163-11;
- B. On July 16, 2013, FEI and FortisBC Energy (Vancouver Island) Inc. (FEVI) jointly filed an application (Application) seeking two separate approvals:
 - FEI requests approval to extend the GSMIP for a three year term for the period from November 1, 2013 to October 31, 2016 (2013-2016 GSMIP) based on the Term Sheet included as Appendix A to the Application, and
 - FEI and FEVI jointly request approval for the mitigation activities performed by FEI on behalf of FEVI to be included in the GSMIP model effective November 1, 2013;
- C. In the Application, FEI provides the 2013-2016 GSMIP Term Sheet which FEI requests that the Northwest Pipeline Gorge Capacity Activity and the Pooling on Nova Gas Transmission Ltd.'s System that FEI introduced as new mitigation activities during the November 1, 2012 to October 31, 2013 contract year be categorized as Non-Benchmarked activities beginning on November 1, 2013;
- D. Section E of the 2011-2013 GSMIP Term Sheet states that a New Activity must be approved as such by the Commission to be included in the GSMIP;

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2

- E. By Order G-115-13 dated August 1, 2013, the Commission established a regulatory timetable for the review of the Application;
- F. The British Columbia Public Advocacy Centre on behalf of the British Columbia Pensioners' and Seniors' Organization *et al.* (BCPSO) provided comments and questions regarding the Application and was the sole stakeholder who participated; and
- G. The Commission has reviewed the Application and the submissions received. The Commission considers that the two approvals sought in the Application are warranted subject to certain revisions in the 2013-2016 GSMIP Term Sheet.

NOW THEREFORE pursuant to section 63 of the *Utilities Commission Act*, the Commission orders as follows:

- 1. The Gas Supply Mitigation Incentive Program (GSMIP) extension proposed by FortisBC Energy Inc. (FEI) is approved for a three year term for the period from November 1, 2013 to October 31, 2016 (2013-2016 GSMIP).
- 2. The joint proposal by FEI and FortisBC Energy (Vancouver Island) Inc. (FEVI) is approved for the mitigation activities performed by FEI on behalf of FEVI to be included in the 2013-2016 GSMIP.
- 3. The activities relating to the Northwest Pipeline Gorge Capacity Activity and the Pooling on Nova Gas Transmission Ltd.'s System must be excluded in the 2013-2016 GSMIP Term Sheet at this time pending review of these new mitigation activities as per Section E of the 2011-2013 GSMIP Term Sheet.
- 4. FEI must file within 30 days of the date of this Order a revised 2013-2016 GSMIP Term Sheet that reflects the terms set out in this Order for Commission acceptance.

DATED at the City of Vancouver, In the Province of British Columbia, this 24th day of October 2013.

BY ORDER

Original Signed By:

D.M. Morton
Commissioner