



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-217-13

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

An Application by FortisBC Energy (Vancouver Island) Inc.
for Approval of 2014 Revenue Requirements and Rates

BEFORE: D.M. Morton, Commissioner

December 17, 2013

O R D E R

WHEREAS:

- A. On September 25, 2013, FortisBC Energy (Vancouver Island) Inc. (FEVI) filed for approval of interim and permanent delivery rates effective January 1, 2014 (Application) pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act* (Act) and the Special Direction to the Commission pursuant to Order in Council 1510 (Special Direction);
- B. FEVI seeks, among other things, approval to maintain current natural gas rates for all customers, other than those with specified rates in their transportation service agreements, for a one-year period commencing January 1, 2014. FEVI proposes to utilize the surplus that will exist in the Rate Stabilization Deferral Account (RSDA) to allow for rates to remain unchanged for 2014;
- C. FEVI also seeks approval of its schedule of demand and commodity charges, forecast gross operating and maintenance (O&M) expenditures and, pursuant to section 2.10 of the Special Direction, its forecast cost of service, forecast capital expenditures, and forecast revenue;
- D. FEVI also seeks, among other things, approvals including allocation of costs for corporate and shared services, and the discontinuation, continuation, and creation of deferral accounts and the amortization and disposition of balances in deferral accounts;
- E. FEVI proposed that the Application be heard by way of a Written Hearing Process with a Regulatory Timetable that contemplated one round of Commission and Intervener Information Requests (IRs);
- F. The Commission considered FEVI's proposed timetable and issued Order G-161-13 on October 2, 2013, establishing a Preliminary Regulatory Timetable which provided for one round of IRs and for submissions from FEVI and Registered Interveners on further regulatory process;
- G. On November 28, 2013, the Province of British Columbia deposited Order in Council No. 557, dated November 27, 2013, as B.C. Regulation 245/2013, Special Direction No. 5 to the Commission (Special Direction No. 5). Special Direction No. 5 contains, among other items, the following requirements:

- 3 In setting rates under the Act for a utility, the Commission must do the following:
- (a) treat CNG service and LNG service, and all other costs and revenues related to those services, as part of the utility's natural gas class of service;
 - (b) allocate all costs and revenues related to CNG service and LNG service to all applicable customers;
- H. On December 13, 2013, FEVI filed with the Commission an Amendment to the Application to address, among other things, changes to the approvals sought in the Application as a result of the issuance of Special Direction No. 5;
- I. On December 13, 2013, FEVI also filed its submission on further regulatory process, stating that it continues to hold the view that the Application should be addressed through a Written Hearing Process with one round of IRs;
- J. On December 16, 2013, the British Columbia Pensioners' and Seniors' Organization *et al.* (BCPSO) and the Commercial Energy Consumers Association of British Columbia (CEC) filed submissions on further regulatory process;
- K. The BCPSO submits that it does not object to a Written Hearing Process; however, it believes that two rounds of IRs are necessary to ensure a thorough review of the Application;
- L. The CEC submits that it is satisfied with the process proposed by FEVI, including one round of IRs followed by Final Arguments;
- M. The Commission has reviewed the submissions by all parties and considers that establishing a Final Regulatory Timetable which includes a second round of IRs is necessary in order to achieve a complete evidentiary record.

NOW THEREFORE the Commission orders as follows:

1. The Application will be heard by way of a Written Hearing Process with provision for a second round of Information Requests.
2. The Final Regulatory Timetable is as set out in Appendix A to this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of December 2013.

BY ORDER

Original signed by:

D.M. Morton
Commissioner

Attachment

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FINAL REGULATORY TIMETABLE

ACTION	DATE (2014)
Filing of Participant Assistance/Cost Award Budgets	Wednesday, January 8
Commission and Intervener Information Request No. 2	Thursday, January 23
FEVI Response to Commission and Intervener Information Request No. 2	Thursday, February 13
FEVI Final Submission	Thursday, February 20
Interveners Final Submissions	Thursday, February 27
FEVI Reply Submission	Thursday, March 6