



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-225-13**

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

and

FortisBC Energy Inc.
Application regarding its 2013 Fourth Quarter Gas Cost Report
and Approval of the 2013 Core Market Administration Expense Budget

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

December 19, 2013

O R D E R

WHEREAS:

- A. On July 5, 2013, FortisBC Energy Inc. (FEI) filed an Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (FEI PBR Application);
- B. In the FEI PBR Application FEI also stated that it was not seeking approval of the 2014 Core Market Administration Expense (CMAE) budget in the FEI PBR Application as FEI believes the CMAE budget is more appropriately reviewed as part of quarterly gas cost reports and that it would be seeking approval of the 2014 CMAE budget as part of the 2013 fourth quarter gas cost report;
- C. On September 25, 2013, FortisBC Energy (Vancouver Island) Inc. (FEVI) filed its 2014 Revenue Requirements and Rates Application, which included the FEVI allocated share of the 2014 CMAE budget as one component of the 2014 cost of gas for which FEVI is seeking approval;
- D. On November 22, 2013, FEI filed its 2013 Fourth Quarter Report on Commodity Cost Reconciliation Account (CCRA), MCRA, and Biomethane Variance Account (BVA) balances, for the Lower Mainland, Inland and Columbia Service Areas (2013 Fourth Quarter Report);
- E. The 2013 Fourth Quarter Report requested approval of the CMAE budget for 2014 the amount of \$4.6722 million as set out in Tab 1, Page 1 of the 2013 Fourth Quarter Report. The 2014 budgeted amount represents an increase of \$633,000 over the 2013 projected CMAE;
- F. The CMAE is allocated 10 percent to FEVI and 90 percent to FEI gas cost recovery accounts, respectively. The FEI allocation includes the FortisBC Energy (Whistler) Inc. gas cost portion;

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- G. On November 29, 2013, the Commission issued Order G-201-13 approving the requested rate changes as outlined in the 2013 Fourth Quarter Report and determined that, given the nature of the costs included in the CMAE and the significant increase in the 2014 budgeted amount over the 2013 projected amount, the request to approve the 2014 CMAE budget is more appropriately reviewed in a regulatory process separate from the review of the 2013 Fourth Quarter Report; and
- H. The Commission has determined that the appropriate regulatory process to review the FEI request to approve the 2014 CMAE budget is a written review process with at least one round of Information Requests and the opportunity for the participation of stakeholders.

NOW THEREFORE, the Commission orders as follows:

1. A Written Hearing Process is hereby established for review of the FortisBC Energy Inc. (FEI) request for approval of the Core Market Administration Expense (CMAE) budget for 2014 in accordance with the Regulatory Timetable attached as Appendix A to this Order.
2. The scope of the proceeding includes review and consideration of the following:
 - a. FEI's proposed 2014 CMAE budget; and
 - b. The appropriate regulatory review and approval process for CMAE budgets for future periods.
3. FEI is to provide a copy of this Order and the FEI 2013 Fourth Quarter Report to all Registered Interveners in the following proceedings:
 - a. FEI Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018; and
 - b. FortisBC Energy (Vancouver Island) Inc. 2014 Revenue Requirements and Rates Application.
4. Parties who wish to intervene in the review must register with the Commission, in writing or by electronic submission, by Thursday, January 9, 2014, and specify the nature of their interest in the Application and the issues they intend to pursue in review of the Application.

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of December, 2013.

BY ORDER

Original signed by:

D.M. Morton
Commissioner

Attachment

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REGULATORY TIMETABLE

ACTION	DATE (2014)
Intervener Registration	Thursday, January 9
Commission Information Request No. 1 to FortisBC Energy Inc. (FEI)	Tuesday, January 14
Intervener Information Request No. 1 to FEI	Tuesday, January 21
FEI Response to Information Request No. 1	Tuesday, February 4
FEI Final Submission	Tuesday, February 11
Intervener Submissions	Tuesday, February 18
FEI Reply Comments	Tuesday, February 25