



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER F-21-14**

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

and

Participant Assistant / Cost Award Applications  
for the FortisBC Energy Inc.  
Application regarding its 2013 Fourth Quarter Gas Cost Report  
And Approval of the 2014 Core Market Administration Expense Budget

**BEFORE:** B.A. Magnan, Panel Chair/Commissioner  
C.A. Brown, Commissioner August 25, 2014  
I.F. MacPhail, Commissioner

**O R D E R**

**WHEREAS:**

- A. On November 22, 2013, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (Commission) its 2013 Fourth Quarter Gas Cost Report on Commodity Cost Reconciliation Account (CCRA), Midstream Cost Reconciliation Account (MCRA), and Biomethane Variance Account (BVA) balances, for the Lower Mainland, Inland and Columbia Service Areas (2013 Fourth Quarter Report);
- B. The 2013 Fourth Quarter Report requested approval of the Core Market Administration Expense (CMAE) Budget for 2014 in the amount of \$4,672,200 as set out in Tab 1, Page 1 of the 2013 Fourth Quarter Report (the Application);
- C. 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 would be more appropriately reviewed in a regulatory review process separate from the review of the 2013 Fourth Quarter Report;
- D. On December 19, 2013, the Commission issued Order G-225-13 establishing a separate written hearing process with one round of Information Requests for review of the FEI request for approval of the proposed CMAE Budget for 2014, and for consideration of the appropriate regulatory review and approval process for future CMAE budgets;
- E. Three parties registered as Interveners in the proceeding: the British Columbia Pensioners' and Seniors' Organization *et al* (BCPSO), the Commercial Energy Consumers Association of British Columbia (CEC) and the Canadian Office of Professional Employees Union – Local 378 (COPE 378);
- F. BCPSO and CEC, on March 17, 2014 and March 25, 2014, respectively, filed applications for Participant Assistance/Cost Award (PACA) funding;

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- G. By letter dated April 7, 2014 to the Commission, FEI provided comments on the PACA applications indicating it has no comments regarding the time identified or amounts applied for so long as the Commission has no concerns;
- H. On June 18, 2014, the Commission issued its Decision and accompanying Order G-79-14 with respect to the proceeding; and
- I. The Commission reviewed the PACA applications with regard for the criteria and rates set out in the PACA Guidelines attached to Commission Order G-72-07 and is satisfied that each of the two Interveners requesting cost awards should receive a Participant Assistance Cost Award. The Commission finds that the BCPSO cost award should be approved as requested and the CEC cost award should be approved as adjusted to account for out-of-scope Information Requests.

**NOW THEREFORE** for the Reasons for Decision attached as Appendix A, pursuant to section 118 (1) of the *Utilities Commission Act*, the Commission orders as follows:

1. Funding is awarded to the Interveners for their participation in the proceeding in the following amounts:

<b>Intervener</b>	<b>PACA Application</b>	<b>PACA Award</b>	<b>Award as % of Application</b>
British Columbia Pensioners' and Seniors' Organization <i>et al.</i>	\$4,140.86	\$4,140.86	100 %
Commercial Energy Consumers Association of British Columbia	\$5,402.26	\$5,132.15	95 %

2. FortisBC Energy Inc. is directed to reimburse the above noted Interveners for the amounts that have been awarded in a timely manner.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 25<sup>th</sup> day of August 2014.

BY ORDER

*Original signed by:*

B.A. Magnan  
Panel Chair/Commissioner

FortisBC Energy Inc.  
Application regarding its 2013 Fourth Quarter Gas Cost Report  
And Approval of the 2014 Core Market Administration Expense Budget  
Participant Assistance/Cost Awards

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**REASONS FOR DECISION**

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**1.0 BACKGROUND**

On November 22, 2013, FortisBC Energy Inc. (FEI) filed its 2014 Core Market Administration Expense (CMAE) Budget as part of the FEI 2013 Fourth Quarter Gas Cost Report (2013 Fourth Quarter Report). By Commission Order G-201-13 the Commission determined, given the nature of the costs included in the CMAE and the significant increase in the 2014 budgeted amount over the 2013 projected amount, that the request for approval of the 2014 CMAE Budget would be more appropriately reviewed in a regulatory review process, separate from the review of the 2013 Fourth Quarter Report in order to facilitate a written review process with at least one round of Information Requests (IRs) and to provide the opportunity for the participation of stakeholders.

Commission Order G-225-13 set out the Regulatory Timetable for this review process and provided direction on the scope of the FEI 2014 CMAE Budget proceeding in Directive No. 2 as follows:

“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.”

Three parties registered to participate as Interveners in the FEI 2014 CMAE Budget proceeding: the British Columbia Public Interest Advocacy Centre on behalf of British Columbia Pensioners and Seniors Organization *et al* (BCPSO), the Commercial Energy Consumers Association of British Columbia (CEC) and the Canadian Office and Professional Employees Union, Local 378 (COPE 378).

BCPSO applied for a Participant Assistance/Cost Awards (PACA) award of \$4,140.86 on March 17, 2014 and CEC applied for PACA award of \$5,402.26 on March 25, 2014.

**2.0 COMMISSION DISCUSSION**

The Panel finds that each of the PACA applicants had a “substantial interest in a substantial issue” in the proceeding. The Panel reviewed the PACA applications with regard for the criteria and rates set out in the PACA Guidelines attached to Commission Order G-72-07 and is satisfied that each of the two Interveners requesting cost awards should receive a Participant Assistance Cost Award.

With regard to the scope of inquiry pursued by Interveners, the Panel notes that approximately half of the 11 series of CEC Information Requests, representing at least 12 percent of the total individual number of questions, were out-of-scope and explored areas of the FEI 2013 Fourth Quarter Report that were unrelated to the CMAE budget and that had been reviewed by the Commission in the process leading to Order G-201-13. Although the PACA amounts requested in the applications could be considered higher than anticipated in a written hearing with one round of IRs, the Panel is of the view that the number of days of counsel and consultant/case manager time in the respective BCPSO and CEC PACA applications is not unreasonable in and of itself.

The Panel finds that the CEC PACA funding approval should reflect that a material portion of CEC's Information Requests explored topics that were beyond the established scope of the proceeding as set out in Order G-225-13. For this reason, **the Panel determines that the approved CEC PACA amount should be adjusted downward by 5 percent to \$5,132.15. The BCPSO PACA amount is approved as requested.**