



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-164-14**

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

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

and

FortisBC Energy Inc.
Application for Approval of a
Multi-Year Performance Based Ratemaking Plan
for the years 2014 through 2018

BEFORE: D. M. Morton, Panel Chair/Commissioner
D. A. Cote, Commissioner October 24, 2014
N. E. MacMurchy, Commissioner

O R D E R

WHEREAS:

- A. On June 10, 2013 and July 5, 2013, FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC), respectively, applied to the British Columbia Utilities Commission (Commission) for approval of a proposed multi-year Performance Based Ratemaking (PBR) plan for the years 2014 through 2018;
- B. On September 15, 2014, the Commission issued Order G-138-14 for FEI and Order G-139-14 for FBC, with accompanying Decisions, setting out the approved PBR plans for FEI and FBC (collectively FortisBC) for the period from 2014 through 2019 (PBR Decisions);
- C. The PBR Decisions directed, among other items, that FortisBC submit a compliance filing to the Commission within 60 days of Orders G-138-14 and G-139-14 that contained amended financial schedules and incorporated all the adjustments and directives as outlined in the PBR Decisions;
- D. By letter dated October 10, 2014, FEI filed its required compliance filing and proposes to:
 - Use inflation data from July through June for the 2014 rate change calculations and the future annual reviews.
 - Use Statistics Canada CANSIM Table 326-0020 to determine the CPI-BC and CANSIM Table 281-0063 to determine AWE-BC.
 - Adjust 2014 inflation for the transition from Harmonized Sales Tax to Provincial Sales Tax as of April 1, 2013 for an increase of 0.1750 percent.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-164-14

2

- Recover the 2014 revenue shortfall of approximately \$2.316 million by increasing rates effective November 1, 2014 to recover about \$535,000 of the shortfall and the remaining \$1.781 million by a reduction to the opening 2015 Revenue Surplus Deferral Account balance;

E. The Commission has reviewed the compliance filing, FEI's proposals regarding its PBR Decision and considers that additional approvals are warranted.

NOW THEREFORE pursuant to sections 59 to 61 of the *Utilities Commission Act* the British Columbia Utilities Commission orders as follows:

1. FortisBC Energy Inc. is approved to use inflation data from July through June for the 2014 rate change calculations and the future annual reviews.
2. FortisBC Energy Inc. is approved to use CANSIM Table 326-0020 to determine the CPI-BC and CANSIM Table 281-0063 to determine AWE-BC.
3. FortisBC Energy Inc. is approved to adjust 2014 inflation for the transition from Harmonized Sales Tax to Provincial Sales Tax as of April 1, 2013 for an increase of 0.1750 percent.
4. FortisBC Energy Inc. is approved to recover the 2014 revenue shortfall of approximately \$2.316 million by increasing rates effective November 1, 2014 to recover about \$535,000 of the shortfall and the remaining \$1.781 million by a reduction to the opening 2015 Revenue Surplus Deferral Account balance.
5. FortisBC Energy Inc. must show the impact of the Revenue Surplus Deferral Account drawdown in the format of BCUC IR 1.13.2 in the Common Delivery Rates Methodology Application review process when it files its update for 2014 common rates and rate riders.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of October of 2014.

BY ORDER

Original Signed by:

D.M. Morton
Commissioner