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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-21-06

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

**and**

**FortisBC Inc. - 2005 Annual Review  
and Filing of 2005 Incentive Sharing Adjustments**

**BEFORE:** L.F. Kelsey, Commissioner March 9, 2006  
L.A. Boychuk, Commissioner

**O R D E R**

**WHEREAS:**

- A. Commission Order No. G-52-05 dated May 31, 2005 approving FortisBC Inc.'s ("FortisBC") 2005 Revenue Requirements Application, directed FortisBC to file for review and approval, objective and measurable performance metrics and specific targets to be achieved in 2005; and
- B. On July 28, 2005, FortisBC filed with the Commission a report entitled "Performance Metrics, Commission Order G-52-05" ("Report"); and
- C. By Order No. G-75-05 dated August 18, 2005, the Commission accepted the Report as filed and may review the performance metrics and specific targets in a comprehensive manner in a future regulatory proceeding. The performance metrics and specific targets contained in the Report will be used at the 2005 Annual Review to determine whether to disqualify FortisBC from sharing in eligible favourable operating expense variance in 2005; and
- D. On November 24, 2005, FortisBC filed for approval of its 2006 Revenue Requirements and to establish a Multi-Year Performance Based Regulation Mechanism along with preliminary 2005 Incentive Adjustments (the "Application") with the British Columbia Utilities Commission ("Commission") pursuant to Sections 60 and 61 of the Utilities Commission Act (the "Act"); and
- E. The Commission issued Order No. G-130-05 dated December 2, 2005 establishing a regulatory timetable for an Annual Review, Workshop and a Pre-hearing Conference on Thursday, February 9, 2006 and Friday, February 10, 2006; and
- F. At the 2005 Annual Review held on February 9, 2006 in Kelowna, BC, FortisBC presented actual 2005 incentive adjustments for both shared and flow-through components along with Performance Standards on System Reliability, Customer Service and Informational Metrics; and

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- G. Commission staff asked Registered Intervenors at the 2005 Annual Review to submit in writing by February 16, 2006, their views and position with respect to the 2005 Incentive Sharing. FortisBC was asked to file its reply by February 20, 2006; and
- H. Intervenors provided no comments by the above due date and by letter dated February 21, 2006, FortisBC advised that it would not be filing a reply.

**NOW THEREFORE** the Commission orders as follows:

1. The Commission approves for FortisBC all 2005 Incentive Adjustments attached as Appendix A to this Order.
2. FortisBC is to provide a copy of this Order to all parties who participated in the 2005 Annual Review.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 9<sup>th</sup> day of March 2006.

BY ORDER

*Original signed by*

L.F. Kelsey  
Commissioner

Attachment



## Summary of Incentive Adjustments

Operating & Maintenance	
Flow-Through Adjustments	
Power Purchase Incentive	
Net Decrease to 2006 Rates	
	<u>(\$000s)</u>
	879
	(1,131)
	<u>(223)</u>
	(475)