

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



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-30-07

TELEPHONE: (604) 660-4700
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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**An Application by FortisBC Inc.
for a Rate Design on the Big White Supply Project**

BEFORE: L.A. Zaozirny, Panel Chair
and Commissioner

March 12, 2007

O R D E R

WHEREAS:

- A. On March 9, 2006, FortisBC Inc. ("FortisBC") applied to the British Columbia Utilities Commission ("Commission") for a Certificate of Public Convenience and Necessity ("CPCN") to construct and extend a 34 km, 138 kV transmission line from the Joe Rich Substation to a new substation to be built at the Big White Village at a cost of \$20.3 million, including approximately 23 km of new transmission line (the "Project"); and
- B. Following an oral public hearing process, the Commission on September 14, 2006, by Order No. C-17-06 and Reasons for Decision, granted a CPCN to FortisBC for the construction of the Big White Supply Project subject to a condition related to a risk sharing mechanism; and
- C. Commission Order No. C-17-06 and Reasons for Decision also directed FortisBC to file, within 90 days of the Decision, an application for a rate design for the Project which considers the circumstances and conditions pertaining to the Project, and which would be the subject of a separate proceeding and a determination by the Commission as to how the costs of the Project will be recovered; and
- D. On December 6, 2006, following a written Phase 1 proceeding, the Commission issued Order No. G-154-06 and Reasons for Decision which denied applications by Big White Ski Resort Ltd. dated October 10, 2006 and FortisBC dated October 12, 2006, to reconsider certain aspects of the Commission's Decision related to a CPCN for the Big White Supply Project; and
- E. By Order No. G-154-06 and Reasons for Decision, the Commission clarified that the intent of the direction in the Reasons for Decision attached to Order No. C-17-06 was that FortisBC, in a first stage of the process, would make an application to the Commission addressing two primary questions: (1) should some or all customers of the Big White area, as distinct from all FortisBC ratepayers, be required to fund some or all of the costs of the Project? and (2) if total funding from all FortisBC ratepayers is not required, then how should the funding from the customers of the Big White area be determined and allocated?; and

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- F. On March 6, 2007, Fortis BC filed a rate design application for the Project (the “Application”) pursuant to Orders No. G-17-06 and G-154-06 and requested that a Procedural Conference be convened to address procedural matters and to establish a Regulatory Timetable and, in particular, to address the process for public consultation necessary prior to the Company making its recommendations on cost recovery methodology and the disposition of the application; and
- G. The Commission determines that a Public Notice should be issued and a Procedural Conference should be established.

NOW THEREFORE the Commission orders as follows:

1. The Commission requires that a Public Notice be issued that the Application be reviewed by a process to be determined following a Procedural Conference to be held in accordance with the Regulatory Timetable attached as Appendix A to this Order.
2. FortisBC is to publish a notice of the Application and Procedural Conference, attached as Appendix B, in all local and community newspapers in the general service area by March 30, 2007, or as soon thereafter as possible, and the notice shall be run on two separate occasions.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of March 2007.

BY ORDER

Original signed by:

L.A. Zaozirny
Commissioner

Attachments

**AN APPLICATION BY FORTISBC INC.
FOR A RATE DESIGN ON THE BIG WHITE SUPPLY PROJECT**

REGULATORY TIMETABLE

ACTION	DATE (2007)
Commission Information Request No. 1 to FortisBC	Monday, March 26
Notices published by FortisBC	Friday, March 30 (or as soon thereafter as possible)
Registration of Intervenor	Wednesday, April 11
FortisBC Responses to Commission Information Request No. 1	Friday, April 13
Procedural Conference Time: 1:00 p.m. The Grand Okanagan Lakefront Resort and Conference Centre 1310 Water Street, Kelowna, BC	Monday, April 16
Intervenor and Commission Information request No. 2 to FortisBC	Friday, May 4 (tentative)



APPENDIX B
to Order No. G-30-07
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FORTISBC INC.
Application for a Rate Design on the Big White Supply Project

**NOTICE OF APPLICATION
AND
PROCEDURAL CONFERENCE**

THE APPLICATION

On March 6, 2007 FortisBC Inc. ("Fortis BC") applied to the British Columbia Utilities Commission ("Commission") for a Rate Design on the Big White Supply Project as requested by the Commission in its Decision dated September 14, 2006 to grant to FortisBC a Certificate of Public Convenience and Necessity ("CPCN") to construct and operate a 138 kV transmission Line from the Joe Rich Substation in Kelowna to a new Substation at the Big White Village at an estimated cost of \$20.3 million. In granting the CPCN, the Commission found that the Big White Supply Project was in the public interest; however, it did not resolve the issue raised during the oral hearing process related to how the costs of the Project will be recovered. In its Rate Design Application, FortisBC suggests that a decision on funding arrangements for the Big White Supply Project may impact other FortisBC ratepayers and potentially other customers in the Province and that consultation and an opportunity to comment on these issues should be provided.

THE REGULATORY PROCESS

The Commission has established a deadline for interested persons to either seek intervenor or interested party status and has determined that a Procedural Conference is required before further process is established to review FortisBC's Rate Design Application. The Procedural Conference will be held at the Grand Okanagan Lakefront Resort and Conference Centre, 1310 Water Street, Kelowna, B.C. on Monday April 16, 2007 commencing at 1:00 p.m. The purpose of the Procedural Conference is to seek comments and identify such matters as:

- the appropriate regulatory process to review the Application, e.g. workshops, written, oral or some combination of these or other options;
- the issues to be addressed during the regulatory review process;
- the steps and timetable associated with the regulatory review process; and
- other matters that will assist the Commission to efficiently review the Application.

Following the Procedural Conference a regulatory review process and Regulatory Timetable will be established and distributed to those persons who have registered with the Commission.

PUBLIC INSPECTION OF THE DOCUMENTS

The FortisBC Rate Design Application and supporting material will be made available for inspection at the Utility's Head Office in Kelowna at the Landmark IV, 5th Floor, 1628 Dickson Avenue, Kelowna, B.C., its Trail Office at 1290 Esplanade, Trail, B.C., and at the Public Library in Kelowna, B.C. and the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3.

REGISTERING TO PARTICIPATE

Persons who expect to actively participate in the FortisBC proceeding should register as Intervenor with the Commission, in writing, by Wednesday, April 11, 2007. Intervenor are requested to identify their interest in the Application, the issues they intend to address and to indicate whether they will be attending and participating at the Procedural Conference. Intervenor will receive copies of the Application, all correspondence and filed documentation.

Persons not expecting to actively participate, but who have an interest in the FortisBC proceeding should register as Interested Parties with the Commission, in writing, by the same date. Interested Parties will receive a copy of the Application's Executive Summary and all Orders issued.

All submissions and correspondence received from participants relating to the Application will be placed on the public record and posted to the Commission's web site.

FURTHER INFORMATION

For further information, please contact Mr. Robert J. Pellatt, Commission Secretary or Mr. Jim Fraser, Director Strategic Services, as follows:

Telephone: (604) 660-4700
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