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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-46-07

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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 April 20, 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 October 10, 2006 and October 12, 2006, Big White Ski Resort Ltd. and FortisBC, respectively, applied for a reconsideration of 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 denied the Reconsideration Applications and 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
- 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

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- G. By Order No. G-30-07, the Commission determined that a Public Notice should be issued and a Procedural Conference be held on April 16, 2007 in Kelowna, B.C. to consider the further process to be established to review Fortis BC's Rate Design Application; and
- H. On April 13, 2007, as required by Order No. G-30-07, FortisBC filed its response to an initial Commission Information Request; and
- I. FortisBC in its opening remarks during the Procedural Conference suggested that its Application and responses to the Commission Information Request constitute new information that raises a preliminary issue of "whether or not there is still a serious question as to whether Big White customers should be paying some or all of those project costs". FortisBC proposed, therefore, that an initial written submission process be established to consider this new information and this preliminary issue ("FortisBC Proposal"); and
- J. The BC Old Age Pensioners Organization et al. ("BCOAPO") indicated that it was not opposed in principle to the approach proposed by FortisBC to determine the issues, however, BCOAPO requested the opportunity to ask Information Requests of FortisBC on the evidence filed to date and to ask Information Requests of the BC Ministry of Tourism and Big White Ski Resort Ltd., both of which are Intervenors in this proceeding; and
- K. Other parties in attendance at the Procedural Conference presented their views, mostly related to the merits and in favour of the FortisBC recommendation in its Application that all FortisBC customers be required to fund the Project costs, rather than some or all customers of the Big White area, and they generally did not take a position or express views on process to be used to consider the Application or the preliminary issue raised by FortisBC; and
- L. The Commission has considered the submissions of parties and has determined that it will establish a process to deal first with FortisBC's Proposal.

NOW THEREFORE the Commission orders as follows:

1. The process to consider the preliminary question raised by FortisBC will be in accordance with the revised Regulatory Timetable attached as Appendix A to this Order.
2. FortisBC is to take all reasonable steps to make this Order and Regulatory Timetable known to its customers in the Big White area.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of April 2007.

BY ORDER

Original signed by:

L.A. Zaozirny
Commissioner

Attachment

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

REVISED REGULATORY TIMETABLE

ACTION	DATE
Intervenor and Commission Information Request No. 2 to FortisBC	Friday, May 11, 2007
FortisBC Response to Information Requests	Friday, May 25, 2007
FortisBC Submissions related to the Preliminary Question	Friday, June 8, 2007
Intervenor Submissions related to the Preliminary Question	Friday, June 22, 2007
FortisBC Reply	Friday, June 29, 2007

