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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-115-07

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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.
To Establish Certain Rate Schedules for Time-of-Use Customers**

BEFORE: L.F. Kelsey, Commissioner September 21, 2007

O R D E R

WHEREAS:

- A. On December 8, 2006, by Order No. G-159-06, the Commission approved an application by Fortis Pacific Holdings Inc., FortisBC Inc. ("FortisBC" or the "Company") and Princeton Light and Power Company, Limited ("PLP") to transfer PLP shares and assets to FortisBC and wind up PLP; and
- B. Order No. G-159-06 approved "the application of FortisBC's Electric Tariff in effect on October 1, 2007 by FortisBC to (i) customers who are PLP customers on December 31, 2006, and (ii) persons who become customers after December 31, 2006 who, but for the transfer of the assets of PLP to FortisBC, would have been customers of PLP, on October 1, 2007 onward"; and
- C. By letter dated August 21, 2007, FortisBC provided a progress update of its transition efforts for those customers currently covered under the PLP electric tariff, who will be moved to the FortisBC electric tariff on October 1, 2007; and
- D. In its August 21, 2007 letter, FortisBC applied to the Commission for approval for two new Time-of-Use ("TOU") Rate Schedules ("RS"), 2A for residential customers and 22A for general service customers, effective October 1, 2007; and
- E. FortisBC submits that the proposed new TOU rates are a blend of the existing FortisBC and PLP TOU rates and are easier to understand and use; and
- F. While the proposed rates are revenue neutral to FortisBC for TOU customers as a group, PLP TOU customers will experience bill reductions, compared to their existing PLP TOU rates; and
- G. For existing FortisBC TOU customers, the average bill impact would be an increase of 11 percent, based on existing usage patterns; to avoid this increase, the Company proposes to maintain the existing TOU rates for customers currently on the TOU rate, and to close the rate to new customers; and
- H. FortisBC will allow existing FortisBC TOU customers to choose the new TOU rate, and is applying to close existing TOU Rate Schedules 2 and 22 to new customers effective October 1, 2007; and

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- I. On September 6, 2007, FortisBC responded to a Commission Information Request dated August 30, 2007. In the letter accompanying its responses, FortisBC states that the proposed rates will be reviewed during the next Cost of Service Study, and that the Company intends to move to one set of TOU rates for all customers; and
- J. On September 13, 2007, FortisBC filed a further letter with the Commission stating that it plans to file its Cost of Service Study no later than June 30, 2008, with a Rate Design application to follow after appropriate consultation with its Stakeholders; and
- K. The Commission has reviewed the Application, the September 6, 2007 responses to the Commission Information Request and the FortisBC letter dated September 13, 2007 and has determined that approval of the TOU rates as applied for by FortisBC is in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The FortisBC TOU rates, as applied for in its August 21, 2007 Application, are approved.
2. FortisBC is directed to file a Cost of Service ("COS") Study on, or before, June 30, 2008.
3. FortisBC is directed to file a Rate Design application on or before September 1, 2008. The Rate Design application should include a proposal for Time-of-Use rates that will apply to all customers within the merged PLP/FortisBC service area.

DATED at the City of Vancouver, in the Province of British Columbia, this 21st day of September 2007.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner