

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER F-29-08**

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

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



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

and

Applications for Participant Assistance/Cost Awards
regarding the FortisBC Inc.
2008 Annual Review, 2009 Revenue Requirements and
Negotiated Settlement Process

BEFORE: L.F. Kelsey, Commissioner
P.E. Vivian, Commissioner
D.A. Cote, Commissioner
December 24, 2008

O R D E R

WHEREAS:

- A. British Columbia Utilities Commission ("the Commission") Order G-58-06 approved for FortisBC Inc. ("FortisBC" or "Company") a Settlement Agreement for its 2006 Revenue Requirements (the "2006 Settlement Agreement") and a Performance-Based Regulation Settlement for the years 2007, 2008 and potentially 2009 (the "PBR Settlement"). The PBR Settlement requires FortisBC to hold an Annual Review, Workshop and Negotiated Settlement Process ("NSP") each November with a goal of achieving firm rates by December 1st for the following year; and
- B. The Annual Review compares the Company's actual performance for the recently completed year to the approved targets for the Performance Standards to determine whether the Company is entitled to an incentive payment. The Revenue Requirements Workshop is to focus on future test periods and the NSP is conducted to establish rates for the following year; and
- C. On September 4, 2008, FortisBC filed an application for Commission approval to extend the Settlement Agreement for the 2007-2009 Performance-Based Rate Plan for 2009-2011 (the "PBR Extension Application"). Following discussion among the Company, the stakeholders at the 2006 Settlement Agreement, and Commission Staff, on September 16, 2008, FortisBC withdrew its request for Commission approval of the PBR Extension Application; and
- D. By Order G-141-08 dated September 25, 2008, the Commission established a Regulatory Timetable for the 2008 Annual Review and a 2009 Revenue Requirements Workshop on November 13, 2008 in Kelowna, BC, followed by an NSP on November 14, 2008; and

- E. On September 26, 2008, FortisBC filed its Preliminary 2009 Revenue Requirements, which sought a 5.6 percent general rate increase effective January 1, 2009; and
- F. On November 3, 2008, FortisBC filed the Updated 2009 Revenue Requirements Application, which incorporated financial results and forecasts as of September 30, 2008, including financial Performance Standards for the period October 1, 2007 to September 30, 2008, and sought a general rate increase that remained unchanged at 5.6 percent, effective January 1, 2009; and
- G. The 2008 Annual Review was held on November 13, 2008 and the 2009 Revenue Requirements Settlement discussions were held on November 14, 2008. A Settlement Agreement was proposed by FortisBC and agreed to by FortisBC and most Intervenor in attendance, with the participation of Commission Staff. The proposed Settlement Agreement, which results in a general rate increase of 4.6 percent effective January 1, 2009, was circulated to the participants and registered Intervenor on November 27, 2008; and
- H. By Order G-193-08 the Commission approved the Negotiated Settlement Agreement and the Terms of Settlement along with supporting schedules showing the effect of changes arising from the Negotiated Settlement; and
- I. On November 17, 2008, Mr. Norman Gabana submitted an application to the Commission for a Participant Assistance/Cost Award ("PACA") in the amount of \$723.75 for his participation in the 2008 Annual Review proceedings; and
- J. On December 14, 2008, the British Columbia Public Interest Advocacy Centre submitted an application to the Commission for a PACA award on behalf of its client, the BC Old Age Pensioners Organization et al. ("BCOAPO") in the amount of \$13,987.89 for its participation in the 2008 Annual Review proceedings; and
- K. By letter dated December 15, 2008, FortisBC indicating that it had no issue with the inclusion of BCOAPO's relative counsel fees and reasonable cost from the July 28, 1998 PBR Extension meeting in the PACA request. FortisBC had no comments for Mr. Gabana's expense claim; and
- L. The Commission Panel has reviewed the PACA Applications having regard to the criteria and rates set out in the Guidelines in Commission Order G-72-07.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** F-29-08

3

NOW THEREFORE the Commission orders as follows:

1. Pursuant to Section 118(1) of the *Utilities Commission Act*, the Commission awards funds to the following Applicants with respect to their participation in the 2008 Annual Review, 2009 Revenue Requirements and Negotiated Settlement Process proceeding.

| | |
|---|---------------------------|
| | <u>Award</u> |
| BC Old Age Pensioners' Organization <i>et al.</i> | \$13,987.89 |
| Norman Gabana | 723.75 |
| TOTAL | <u>\$14,711.64</u> |

2. FortisBC is directed to reimburse the above noted participants for the total amount awarded, in a timely manner. The cheque for BCOAPO should be made payable to the BC Public Interest Advocacy Centre for processing purposes.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of January 2009.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner