



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-146-12

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC 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

An Application by FortisBC Inc.
for Approval of Updated Tariff Supplement Number 4(ii) – Wholesale Service Agreement with the City of Kelowna

BEFORE: L.F. Kelsey, Commissioner
N.E. MacMurchy, Commissioner October 11, 2012
B.A. Magnan, Commissioner

O R D E R

WHEREAS:

- A. On June 14, 2012, Fortis BC Inc. (FortisBC) filed an update to Tariff Supplement Number 4(ii) – the Wholesale Agreement for Service to the City of Kelowna (New Agreement) under Rate Schedule 40 Wholesale Service – Primary for British Columbia Utilities Commission (Commission) approval;
- B. The Agreement is a duly executed replacement of the predecessor agreement contained in FortisBC's Electric Tariff Supplement No. 1, Tab 4 (ii) (Predecessor Agreement);
- C. In Commission Order G-101-08 dated June 19, 2008, which approved the Predecessor Agreement as well as Wholesale Agreements with the City of Penticton, the District of Summerland, the City of Grand Forks and the Corporation of the City of Nelson as Tariff Supplement No. 1, Tab 4, the Commission noted that the power factor in each of these agreements was 0.90 lagging and directed FortisBC to submit a report by September 30, 2008 on the effect of increasing the power factor from 0.90 to 0.95;
- D. On September 30, 2008, FortisBC filed the required power factor report as directed under Order G-101-08;
- E. On January 29, 2009, the Commission issued letter L-9-09 which concluded that the power factor could be increased from 90 to 95 percent with minimal impact as the majority of wholesale customers were in excess of the 95 percent power factor and directed FortisBC to modify Clause 6.10 in each of the Wholesale Agreements in Tariff Supplement No. 1, Tab upon the renewal dates of the agreement to read "The customer shall endeavour to regulate its load so that the Power Factor at each Point of Delivery will be no less than 95 percent lagging;
- F. In Letter L-9-09, the Commission also directed FortisBC to submit a report as an appendix in its next revenue requirement application if the power factor in any of the Wholesale Service agreements included under Tariff Supplement Number 4 is below 95 percent; and
- G. The Commission has reviewed the New Agreement and notes that Clause 6.10 has not been amended to increase the power factor from 90 percent to 95 percent.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-146-12**

2

NOW THEREFORE pursuant to section 61 of the *Utilities Commission Act*, the Commission orders as follows:

1. The Commission approves the New Agreement on the condition that FortisBC and the City of Kelowna amend the New Agreement by changing the power factor requirement in Clause 6.10 from 90 percent to 95 percent.
2. FortisBC is to file the amended New Agreement within 30 days of the date of this Order.
3. FortisBC is to submit a report as an appendix in its next revenue requirement application on the power factor of each of the Wholesale Service agreements included under Tariff Supplement Number 4. If the power factor is below 95 percent FortisBC is to provide details regarding the extent to which the power factor is less than 95 percent.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of October 2012.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner