

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-108-13

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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 Certificate of Public Convenience and Necessity
for the Purchase of the Utility Assets of the City of Kelowna
Phase 2**

BEFORE: D.M. Morton, Panel Chair/Commissioner
A.A. Rhodes, Commissioner
B.A. Magnan, Commissioner

July 16, 2013

O R D E R

WHEREAS:

- A. On November 13, 2012, FortisBC Inc. (FortisBC) filed an application with the British Columbia Utilities Commission (Commission) pursuant to sections 45 and 46 of the *Utilities Commission Act* (Act) for a Certificate of Public Convenience and Necessity (CPCN), for an extension of its distribution system resulting from its purchase of the electricity distribution assets of the City of Kelowna (Transaction), and further sought an order pursuant to sections 59 and 60 of the Act to include the impact of the Transaction in its revenue requirements (Original Application);
- B. The Commission determined on Day 1 of the Oral Hearing for the Original Application that it considered potential rate discrimination issues to be within the scope of the proceeding and subject to a second Phase process;
- C. By Order C-4-13 dated March 1, 2013, the Commission approved FortisBC's Original Application subject to certain conditions;
- D. On April 18, 2013, the Commission issued a letter to FortisBC, potential Interveners and Interested Parties, informing these parties that a Phase 2 process will take place to address issues of potential rate discrimination arising from Tolko Industries Ltd. (Tolko) now becoming a direct customer of FortisBC (Phase 2 Application). Additionally, it was determined that FortisBC would remain as the Applicant for the Phase 2 process;

- E. The following Interveners registered to participate in the Phase 2 process: Tolko, Zellstoff Celgar Limited Partnership (Celgar), British Columbia Hydro and Power Authority (BC Hydro), B.C. Sustainable Energy Association (BCSEA), British Columbia Pensioners' and Seniors' Organization *et al.* (BCPSO), and Norman Gabana;
- F. By Order G-68-13 dated May 2, 2013, the Commission established a Regulatory Timetable for review of the Phase 2 Application. The Regulatory Timetable provided for the filing of Intervener Evidence and one round of Information Requests (IRs), with further process to be determined at a later date. The Regulatory Timetable required Celgar to first file its evidence regarding its claim of rate discrimination;
- G. Celgar filed its evidence on May 21, 2013;
- H. On June 3, 2013 FortisBC, Tolko, and BC Hydro filed their evidence. Except for Mr. Gabana, all participants, including the Commission, issued IRs on June 14, 2013 and June 17, 2013. These IRs were responded to on June 28, 2013 and July 2, 2013;
- I. On July 9, 2013, Celgar filed a letter with the Commission requesting that the Commission direct BC Hydro to respond to Celgar's unanswered IRs related to either Generation Baseline (GBL) methodology or to the consistent application of a GBL methodology;
- J. BC Hydro filed a response to Celgar's letter on July 10, 2013, stating that Celgar submitted approximately 90 IRs to BC Hydro and that BC Hydro declined to respond to a number of these IRs because, in BC Hydro's view, the IRs have no connection to the scope of this proceeding;
- K. BC Hydro also declined to respond to Commission IRs 1.13.1 and 1.13.1.1, and to the BCPSO IRs 1.6.1 through 1.6.5;
- L. The Commission has reviewed the evidence, the responses to the IRs and Celgar's request and determines that a Procedural Conference is required.

NOW THEREFORE the Commission orders as follows:

- 1. A Procedural Conference will be held on Wednesday, July 24, 2013, commencing at 9:00 a.m. at the Commission Hearing Room, 1125 Howe Street, 12th Floor, Vancouver, BC.
- 2. The Commission will hear submissions on the following issues at the Procedural Conference:
 - (i) The scope of the proceeding;
 - (ii) Celgar's request that BC Hydro be directed to respond to the unanswered IRs;

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(iii) Further process options for review of the Application.

3. The Commission may issue further Directives regarding the Procedural Conference on Monday, July 22, 2013.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of July 2013.

BY ORDER

Original signed by:

D.M. Morton
Commissioner