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website: <http://www.bcuc.com>

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-109-13**

TELEPHONE: (604) 660-4700
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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

FortisBC Inc.
an Application for Approval of a
Multi-Year Performance Based Ratemaking Plan
for the years 2014 through 2018

BEFORE: D.A. Cote, Panel Chair/Commissioner
D.M. Morton, Commissioner July 17, 2013
B.A. Magnan, Commissioner

O R D E R

WHEREAS:

- A. On July 5, 2013, FortisBC Inc. (FortisBC) applied to the British Columbia Utilities Commission (Commission), pursuant to sections 59 to 61 of the *Utilities Commission Act* (Act), for approval of a proposed multi-year Performance Based Ratemaking (PBR) plan for the years 2014 through 2018 (Application);
- B. Among other things, FortisBC's Application includes the following requests:
- to make the existing interim rates permanent, effective January 1, 2013, and to increase the permanent rates for all customers by 3.3 percent, effective January 1, 2014;
 - a rate stabilization mechanism for the years 2014 to 2018;
 - the flow through, during 2014, of any increase or decrease arising from the Generic Cost of Capital Stage 2 proceeding;
 - certain accounting treatment and financing of deferral accounts; and
 - certain accounting policies to be used in the determination of rates effective January 1, 2014;
- C. FortisBC also seeks acceptance of certain Demand Side Management expenditures, pursuant to section 44.2 of the Act;

- D. FortisBC plans to hold a Workshop in Kelowna on July 25, 2013, and proposes that a negotiated settlement process be used to review this Application; and
- E. The Commission considers that establishing a preliminary Regulatory Timetable and a Procedural Conference to determine the appropriate regulatory process for the remaining review of the Application is warranted.

NOW THEREFORE the Commission orders as follows:

1. The Application will proceed according to the Preliminary Regulatory Timetable as set out in Appendix A to this Order.
2. FortisBC will hold a Workshop to review the Application on July 25, 2013, commencing at 10:00 a.m., at the Holiday Inn Express, 2429 Highway 97 North, Kelowna, BC, in the Aberdeen/Pandosy Room.
3. A Procedural Conference regarding the regulatory process for the remaining review of the Application will be held on Friday, October 11, 2013, commencing at 9:00 a.m. at the Holiday Inn Express, 2429 Highway 97 North, Kelowna, BC. An agenda for the Procedural Conference will be issued by the Commission Panel at a later date.

After the Procedural Conference, the Commission will issue a further procedural order and regulatory agenda for the remaining review of the Application.

4. FortisBC must publish, as soon as possible, in display-ad format, the Notice attached as Appendix B to this Order, in the appropriate local news publications to properly provide adequate notice to customers served in the affected service areas.
5. The Application, together with any supporting materials, must be made available for inspection at the following locations:

FortisBC Inc. Suite 100 - 1975 Springfield Road Kelowna, BC V1Y 7V7 Telephone: 1-866-436-7847	BC Utilities Commission Sixth Floor, 900 Howe Street Vancouver, BC V6Z 2N3 Telephone: 604-660-4700
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FortisBC will also make available the Application on its website at www.fortisbc.com.

6. Interveners and Interested Parties must register with the Commission by Wednesday, July 24, 2013. Interveners must specifically state the nature of their interest in the Application and generally identify the nature of the issues that they may intend to pursue during the proceeding and the nature and extent of their anticipated involvement in the review process.

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7. Interveners intending to apply for Participant Assistance/Cost Awards (PACA) must submit a budget estimate by Friday, October 25, 2013. These applications should be consistent with the Commission's PACA Guidelines outlined in Order G-72-07. Copies of the Guidelines are available upon request or can be downloaded from the Commission's website.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of July of 2013.

BY ORDER

Original signed by:

D.A. Cote
Panel Chair/Commissioner

Attachments

FortisBC Inc.
an Application for Approval of a
Multi-Year Performance Based Ratemaking Plan
for the years 2014 through 2018

PRELIMINARY REGULATORY TIMETABLE

ACTION	DATE (2013)
Interveners and Interested Parties Registration	Wednesday, July 24
Workshop	Thursday, July 25
Commission Information Request No. 1 to FortisBC	Wednesday, August 14
Intervener Information Request No. 1 to FortisBC	Wednesday, August 21
FortisBC Response to Information Requests No. 1	Friday, September 20
Procedural Conference	Friday, October 11
Commission Information Request No. 2 to FortisBC (Tentative)	Friday, October 18
Intervener Information Request No. 2 to FortisBC (Tentative)	Friday, October 25
Filing of Participant/Cost Award Budgets	Friday, October 25

	WORKSHOP	PROCEDURAL CONFERENCE
Date:	Thursday, July 25, 2013	Friday, October 11, 2013
Time:	10:00 a.m.	9:00 a.m.
Location:	Holiday Inn Express, 2429 Highway 97 North, Kelowna, BC, (Aberdeen/Pandosy Room)	Holiday Inn Express, 2429 Highway 97 North, Kelowna, BC

Application by FortisBC Inc.
for Approval of a Multi-Year Performance Based Ratemaking Plan
for the years 2014 through 2018

**NOTICE OF APPLICATION, WORKSHOP AND
PROCEDURAL CONFERENCE**

	WORKSHOP	PROCEDURAL CONFERENCE
Date:	Thursday, July 25, 2013	Friday, October 11, 2013
Time:	10:00 a.m.	9:00 a.m.
Location:	Holiday Inn Express, 2429 Highway 97 North, Kelowna, BC, (Aberdeen/Pandosy Room)	Holiday Inn Express, 2429 Highway 97 North, Kelowna, BC

THE APPLICATION

On July 5, 2013, FortisBC Inc. (FortisBC) applied to the British Columbia Utilities Commission for approval of a proposed multi-year Performance Based Ratemaking (PBR) plan for the years 2014 through 2018, and for approval of permanent rates effective January 1, 2014 (Application), pursuant to sections 59 to 61 of the *Utilities Commission Act* (Act).

Among other things, FEI seeks approval of the following:

- Approval to make the existing interim rates as permanent effective January 1, 2013, and to increase the permanent rates for all customers by 3.3 percent, effective January 1, 2014.
- Approval of a rate stabilization deferral mechanism to mitigate rate variability for the years 2014 – 2018, as set out in the Application.
- Approval to flow through, during 2014, any increases or decreases arising from a decision in the Generic Cost of Capital Stage 2 Proceeding that is currently before the Commission.
- Certain accounting treatment and financing of deferral accounts.
- Discontinuation, modification and creation of certain deferral accounts, and the amortization and disposition of balances in deferral accounts;
- Acceptance of certain Demand Side Management expenditures, pursuant to section 44.2 of the Act,.
- Changes to certain accounting policies to be used in the determination of rates for FortisBC.

THE REGULATORY PROCESS

British Columbia Utilities Commission (Commission) Order G-109-13 has established a Workshop, Procedural Conference and Preliminary Regulatory Timetable for the regulatory review of the Application.

The detailed Regulatory Timetable can be reviewed on the Commission's website at www.bcuc.com under Current Applications.

FortisBC will hold a Workshop to review the Application on Thursday, July 25, 2013, commencing at 10:00 a.m. at the Holiday Inn Express, 2429 Highway 97 North, Kelowna, BC in the Aberdeen/Pandosy Room.

The Commission will hold a Procedural Conference regarding the further regulatory process for the review of the Application on Friday, October 11, 2013 commencing at 9:00 a.m. in Kelowna.

REGISTERING TO PARTICIPATE

Persons who wish to actively participate in this proceeding should register as Interveners with the Commission in writing by Wednesday, July 24, 2013, identifying the issues that they intend to pursue as well as the nature and extent of their anticipated involvement in the review process, and indicating whether they plan to attend the Procedural Conference. Interveners will receive email notice of all correspondence and filed documents. An e-mail address should be provided if available.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as Interested Parties with the Commission in writing by Wednesday, July 24, 2013 identifying their interest in the Application. Interested Parties will receive a copy of the Commission's Decision when issued.

PUBLIC INSPECTION OF DOCUMENTS

The Application and supporting material will be made available for inspection at the following locations:

FortisBC Inc.
Suite 100 - 1975 Springfield Road
Kelowna, BC V1Y 7V7

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, BC V6Z 2N3

The Application and supporting material are also available for viewing on the following websites:

<http://www.fortisbc.com>

<http://www.bcuc.com>

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission's website.

FURTHER INFORMATION

For further information, please contact Ms. Erica Hamilton, Commission Secretary, as follows:

Commission Secretary
Telephone: (604) 660-4700
Facsimile: (604) 660-1102
Email: Commission.Secretary@bcuc.com
BC Toll Free: 1-800-663-1385