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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER R-2-13**

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

and

**FortisBC Inc.
Confirmation of Alleged Violation of Mandatory Reliability Standards
PRC-017-0 Requirement 1 – Violation ID: BCUC201200356**

BEFORE: D.M. Morton, Commissioner February 4, 2013

O R D E R

WHEREAS:

- A. Order G-123-09 approved the Compliance Monitoring Program (CMP) which provides a process for dealing with violations to Mandatory Reliability Standards (MRS) adopted by the British Columbia Utilities Commission (Commission);
- B. On July 2, 2012, the Western Electricity Coordinating Council (WECC), acting as the Commission's MRS Administrator, issued a Notice of Alleged Violation (NOAV) to FortisBC Inc. (FortisBC) for Violation of the Reliability Standard listed above. The NOAV described the nature of the violation and provided an assessment of the severity of the violation;
- C. On July 2, 2012, WECC also advised FortisBC of its rights under Section 4.2 of the CMP, pursuant to which FBC has 30 days to respond to the NOAV. The CMP also states if FortisBC fails to respond within 30 days, the Commission may consider the Alleged Violations in the absence of a submission;
- D. In a letter dated August 1, 2012, FortisBC accepted that there was a violation of PRC-017-OR1, but contested the Facts and Evidence of the Act or Practice Resulting in the Violation as stated in the NOAV, and committed to work with WECC to revise the NOAV within 60 days;
- E. On October 9, 2012, WECC issued a Revised NOAV for FortisBC for Violation of the Reliability Standard listed above. The Revised NOAV contained a revised description of the violations and provided an assessment of the severity of the violation;
- F. On October 30, 2012, FortisBC wrote the Commission and WECC a response to the Revised NOAV, reiterating that FortisBC accepted the fact of the Alleged Violation, asserting however that certain concerns and issues with the format had not been adequately addressed and as a result FortisBC would continue to

object to the inclusion of the section “Other Relevant Information” in the Revised NOAV, as the contents of that section are the same form of information used in section 4 of Appendix 4B NERC Sanction Guidelines, of the 2012 NERC Compliance Monitoring and Enforcement Program. FortisBC also objected to the reference to the Violation Risk Factor (VRF) matrix and Violation Severity Level (VSL) matrix published by NERC. FortisBC stated that neither of these matrices have been adopted nor implemented in BC, and that BC MRS documentation does not include reference to these terms;

- G. On January 24, 2013, the Commission sent a letter to FortisBC acknowledging that the NERC VRF and VSL matrices have not been adopted or implemented in BC at this time and that the “Other Relevant Information” section has not been specified as a compulsory component for NOAVs, but at the request of the Commission is included for contextual purposes only;
- H. The Commission has reviewed WECC’s recommendation and considers confirmation of the violation is warranted.

NOW THEREFORE pursuant to section 125.2 of the *Utilities Commission Act* and section 4.1 of the Compliance Monitoring Program, the Commission confirms the Alleged Violation identified above. Given that the NERC VRF and VSL matrices are referenced for contextual purposes only, the Commission confirms that the “Other Relevant information” section of the NOAV has no bearing on whether the Commission confirms the violations and dismisses FortisBC’s objection of the inclusion of these pieces.

DATED at the City of Vancouver, in the Province of British Columbia, this 4th day of February, 2013.

BY ORDER

Original Signed by:

D.M. Morton
Commissioner