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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER F-31-14**

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

**and**

**FortisBC Inc.  
Permanent Residential Conservation Rate Exemption  
for Qualified Farm Customers  
Applications for Participant Assistance/Cost Award Funding**

**BEFORE:**

C. A. Brown, Commissioner  
H. G. Harowitz, Commissioner  
K. A. Keilty, Commissioner  
N. E. MacMurchy, Commissioner  
I. F. MacPhail, Commissioner  
B. A. Magnan, Commissioner  
D. M. Morton, Commissioner  
R. D. Revel, Commissioner  
C. van Wermeskerken, Commissioner

November 20, 2014

**O R D E R**

**WHEREAS:**

- A. On February 7, 2014, FortisBC Inc. (FortisBC) filed an application to make the interim residential conservation rate (RCR) exemption for qualified farm customers permanent (the Permanent Exemption Application);
- B. The Permanent Exemption Application originated from FortisBC's September 27, 2012 application for an exempt residential rate that provided an interim exemption from the RCR for qualified farm customers and a permanent exemption for customers identified as participants in the RCR control group. These exemptions were approved by British Columbia Utilities Commission (Commission) Order G-167-12 on November 8, 2012, with an expiration date for the interim exemption of qualified farm customers of 15 months after the date of Order G-167-12;
- C. The Permanent Exemption Application was filed within the Commission ordered 15-month exemption time-frame, thus avoiding the cancellation of the interim exempt residential rate for qualified farm customers;

- D. The Permanent Exemption Application provided a comparison of revenues, by service point, between the flat residential rate and the RCR, and FortisBC calculated that an approximate net \$99,000 loss of residential revenues would occur if qualified farm customers were on the flat residential rate instead of the RCR. FortisBC submitted that this net revenue loss represented 0.03 percent of total annual revenue requirements (\$323,403,000 for fiscal 2014). In addition, as compared to the total residential class revenue requirement of \$171,000,000, the revenue reduction represented only 0.06 percent of revenues and would be immaterial to any future consideration of a required rebalancing of rates between the classes;
- E. The Commission reviewed the Permanent Exemption Application and determined a written public review process to hear the matter was appropriate;
- F. Commission Order G-26-14 established a written public review process and regulatory timetable to hear the Permanent Exemption Application, and directed that the interim non-refundable Exempt Residential Rate for qualified farm customers remain in effect until the Commission made a final determination on the Permanent Exemption Application;
- G. British Columbia Pensioners' and Seniors' Organization, BC Coalition of People with Disabilities, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre (BCPSO *et al.*), B.C. Sustainable Energy Association and the Sierra Club British Columbia (BCSEA), Regional District Central Kootenay (RDCK) and CH Four Biogas, Inc. intervened in the proceeding and made submissions;
- H. On April 24, 2014, the BCSEA, applied for Participant Assistance/Cost Award (PACA) funding with regard to its participation in the written proceeding leading up to the Decision;
- I. On May 20, 2014, the British Columbia Public Interest Advocacy Centre, on behalf of its client BCPSO *et al.*, applied for PACA funding with regard to its participation in the written proceeding leading up to the Decision;
- J. On May 29, 2014, FortisBC advised the Commission it had no comments on the PACA amounts BCSEA and BCPSO *et al.* submitted;
- K. On July 21, 2014, the Commission issued Order G-96-14A and Reasons regarding the Permanent Exemption Application; and
- L. The Commission has reviewed the PACA applications with regard to the criteria and rates per the PACA Guidelines, and is satisfied that their approval is warranted.

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**NOW THEREFORE** pursuant to section 118(1) of the *Utilities Commission Act* the British Columbia Utilities Commission orders as follows:

1. The British Columbia Sustainable Energy Association and Sierra Club of BC is awarded funds in the requested amount of \$1,665.30 with respect to its participation in the FortisBC Inc. Application for a Permanent Residential Conservation Rate Exemption for Qualified Farm Customers proceeding.
2. The British Columbia Pensioners' and Seniors' Organization *et al.* is awarded funds in the requested amount of \$1,345.31 with respect to its participation in the FortisBC Inc. Application for a Permanent Residential Conservation Rate Exemption for Qualified Farm Customers proceeding.
3. FortisBC Inc. must reimburse the Applicants for the amounts awarded in a timely manner.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 21<sup>st</sup> day of November 2014.

BY ORDER

*Original Signed by:*

D. M. Morton  
Commissioner