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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-148-14**

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

**and**

**Zellstoff Celgar Limited Partnership Application for Reconsideration of Order G-141-14  
Regarding the FortisBC Inc. Application for  
Stepped and Stand-By Rates for Transmission Voltage Customers**

**BEFORE:** L.A. O'Hara, Panel Chair/Commissioner September 23, 2014

**O R D E R**

**WHEREAS:**

- A. On March 28, 2013, FortisBC Inc. (FortisBC) filed an application with the British Columbia Utilities Commission (Commission) for approval of new rates for transmission voltage customers (Rates Application) under sections 58-61 of the *Utilities Commission Act*;
- B. The Rates Application requested, among other things, approval for a conservation Stepped Rate and a Stand-by Service Rate (RS 37) for transmission voltage customers, and a determination of the retroactive application of rates to Zellstoff Celgar Limited Partnership (Celgar);
- C. The British Columbia Hydro and Power Authority (BC Hydro), Celgar, International Forest Products Limited, the British Columbia Old Age Pensioners' and Seniors' Organization *et al* (BCOAPO) and the BC Municipal Electric Utilities (BCMEU) registered as Interveners and Tolko Industries Ltd. registered as an Interested Party;
- D. On May 26, 2014, by Order G-67-14, the Commission denied FortisBC's request for approval of a Stepped Rate for transmission voltage customers and declined to approve the Stand-by Service Rate as proposed in the Rates Application;
- E. Order G-67-14 directed FortisBC to file a revised Stand-by Service Rate incorporating the findings in the Decision and to address certain Celgar specific matters, which FortisBC filed on June 26, 2014 (Revised Stand-by Rate Filing);
- F. On June 30, 2014, by Order G-81-14, the Commission limited the scope of review of the Revised Stand-by Rate Filing and established a Regulatory Timetable for its initial review. Order G-81-14 also provided Interveners with an opportunity to file submissions on what further process, if any, is required after the events contemplated in the Regulatory Timetable are completed;

- G. In accordance with the Regulatory Timetable established by Order G-81-14, FortisBC, Celgar and BCOAPO filed submissions on further process. In addition to making a submission on further process Celgar requested that the Commission direct FortisBC to make amendments to the Revised Stand-by Rate Filing claiming that it was not in compliance with Order G-67-14;
- H. On August 20, 2014, by Order G-118-14, the Commission established a further Regulatory Timetable for the review of the Revised Stand-by Rate. Order-G-118-14 also further defined the scope of the review to include, among other things, bypass alternatives available to Celgar and denied Celgar's request that FortisBC be directed to make amendments to the Revised Stand-by Rate Filing;
- I. In accordance with the Regulatory Timetable established by Order G-118-14, on September 8, 2014, Celgar filed Intervener evidence (Exhibit C2-22) and confidential Intervener evidence relating to bypass options (Exhibit C2-22-1);
- J. On September 8, 2014, in accordance with the Commission's Confidential Filing Practice Directive, Celgar also filed a request for confidential treatment of the evidence filed as Exhibit C2-22-1. Celgar states that the Confidential Evidence is proprietary and includes confidential detailed information which, if released, could disadvantage Celgar's position relative to its power-sector and pulp-sector competitors and could result in undue material financial loss or significant harm or prejudice;
- K. On September 17, 2014, FortisBC filed a letter (Exhibit B-31) with the Commission regarding the Confidential Evidence stating that at this point in time it does not object to such evidence being held in confidence; however, FortisBC further states that if such evidence is to be given weight in the determination of the rates to be approved during the current regulatory process, then FortisBC reserves the right to make a future submission on the appropriateness of keeping such information confidential and unavailable to FortisBC;
- L. FortisBC in its September 17, 2014 letter submits that the Celgar bypass options should be given little or no weight or consideration in the review of the Revised Stand-by Rate Filing because bypass options are not a proper consideration in establishing initial rates. FortisBC states that bypass options may potentially be a consideration at a time in the future in relation to an approved rate as demonstrated in the Commission's Bypass Application Guidelines that currently exist;
- M. On September 18, 2014, by Order G-141-14, Interveners were invited to file submissions in response to FortisBC's September 17, 2014 letter, and FortisBC was provided an opportunity to reply, on the weight that should be afforded to the Celgar bypass options marked as Exhibits C2-22 and C2-22-1 in the Commission's determination on the Revised Stand-by Rate Filing;
- N. Pending the Commission's determination on the weight that should be afforded to Celgar's bypass options, Order G-141-14 temporarily suspended the Regulatory Timetable as established by Order G-118-14;

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- O. On September 18, 2014, Celgar filed a request for reconsideration of Order G-141-14 (Application for Reconsideration) and requested that the Regulatory Timetable established by Order G-118-14 be reinstated without the need for any additional process to “weight” the evidence submitted in Exhibit C2-22-1 prior to the completion of final arguments and the closing of the record (Exhibit C2-23);
- P. In the Application for Reconsideration Celgar submits that in only extremely unusual circumstance should the Commission make a determination with respect to “the potential use of the information by the Commission and the weight afforded to it” before the record is closed and before final arguments. Celgar submits that Order G-141-14 approved an exception to the usual treatment without providing Celgar, or any other participant, an opportunity to object;
- Q. Celgar acknowledged that the process established by Order G-141-14 allowed for parties to be heard on the merits of FortisBC’s submission, but respectfully submitted that before a consideration on the merits and before amending the approved Regulatory Timetable, the Commission should have sought comments from parties as to whether the process established by Order G-141-14 was appropriate; and
- R. The Commission reviewed Celgar’s Application for Reconsideration and finds that the matter should proceed directly to Phase 2.

**NOW THEREFORE** the British Columbia Utilities Commission orders as follows:

- 1. The Zellstoff Celgar Limited Partnership (Celgar) Application for Reconsideration of Order G-141-14 will proceed to Phase 2.
- 2. The Regulatory Timetable for the review of Phase 2 of the Reconsideration Process is as set out in Appendix A.
- 3. Only participants of the FortisBC Application for Stepped and Stand-By Rates for Transmission Voltage Customers are eligible to participate in Phase 2 of the Reconsideration Process.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 23<sup>rd</sup> day of September, 2014.

BY ORDER

*Original signed by:*

L.A. O’Hara  
Panel Chair/Commissioner

Zellstoff Celgar Limited Partnership Application for Reconsideration of Order G-141-14  
Regarding the FortisBC Inc. Application for  
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**REGULATORY TIMETABLE**

ACTION	DATE (2014)
Celgar Phase 2 Submission	Friday, September 26
Participants Phase 2 Submissions	Wednesday, October 1
Celgar Reply Submission	Monday, October 6