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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-18-14**

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

and

Application by FortisBC Inc.
for Stepped and Stand-By Rates for Transmission Voltage Customers

BEFORE: A.A. Rhodes, Commissioner
L.A. O'Hara, Commissioner
R.D. Revel, Commissioner
February 13, 2014

O R D E R

WHEREAS:

- A. On October 30, 2009, FortisBC Inc. (FortisBC) filed its 2009 Cost of Service Analysis and Rate Design Application (2009 COSA and RDA) for approval by the British Columbia Utilities Commission (Commission), pursuant to sections 58 to 61 of the *Utilities Commission Act (Act)*;
- B. On October 19, 2010, by Order G-156-10, the Commission issued its decision on the 2009 COSA and RDA and directed FortisBC to, among other things, initiate consultation with its industrial customers with the goal of introducing a stepped rate for transmission voltage customers;
- C. The British Columbia Hydro and Power Authority (BC Hydro) currently provides electricity to Fortis BC to meet a portion of its load service obligation through a 1993 Power Purchase Agreement (1993 PPA) under Rate Schedule (RS) 3808;
- D. Section 2.1 of the 1993 PPA prohibits FortisBC from selling any RS 3808 electricity to any of its customers when such customer is selling self-generated electricity which is not in excess of its load;
- E. On March 25, 2011, Zellstoff Celgar Limited Partnership (Celgar), a transmission voltage customer, filed a complaint with the Commission alleging a failure on the part of FortisBC to complete a general service agreement with Celgar, and disputing FortisBC's application of demand charges in Rate Schedule 31 (Celgar Complaint);
- F. On November 14, 2011, in its Decision on the Celgar Complaint, by Order G-188-11, the Commission determined that eligible FortisBC self-generation customers should be entitled to some amount of FortisBC's embedded cost power that excluded RS 3808 electricity and directed Fortis BC to, among other things:
 - develop a rate for transmission voltage customers with self-generation;
 - develop a two-tier, stepped rate for all transmission voltage customers;
 - determine guidelines for the level to which eligible customers with self-generation should be entitled to FortisBC embedded cost power excluding RS 3808 electricity (Entitlement Guidelines);

- establish a notional Matching Methodology to be incorporated into the (stepped) rate for transmission voltage customers with self-generation;
 - develop a stand-by rate for transmission voltage customers with self-generation; and
 - bill Celgar in accordance with RS 31 on an interim and refundable basis beginning March 25, 2011 and ending when the Commission approves the new rate for Celgar that excludes PPA Power from its resource stack, and/or an Agreement forwarded by the parties;
- G. On December 27, 2012, by Order G-202-12, the Commission accepted the Entitlement Guidelines and Matching Methodology filed by FortisBC in compliance with Order G-188-11;
- H. On March 28, 2013, FortisBC filed an application with the Commission for approval of new rates for transmission voltage customers (the Application) under sections 58-61 of the *Act*;
- I. The Application requests the following:
- i. Approval for a conservation stepped rate, with CBL Guidelines, for all transmission voltage customer's (RS 34), and an exempt flat rate (RS 36) as well as approval to close the existing flat RS 31 and transfer customers to RS 34 and RS 36, as appropriate (collectively referred to as the stepped rate);
 - ii. Approval for a Non-Embedded Cost Power (NECP) Rider which incorporate the Entitlement Principals and the Matching Methodology into a rate ;
 - iii. Approval for a Stand-by Service Rate (RS 37);
 - iv. Approval to close the transmission voltage customer's Time-of-Use Rate (RS 33); and
 - v. A determination of the retroactive application of rates to Celgar;
- J. BC Hydro, Celgar, International Forest Products Limited (INTERFOR), the British Columbia Pensioners' and Seniors' Organization (BCPSO), and BC Municipal Electric Utilities (BCMEU) registered as Interveners;
- K. On April 10, 2013, the Commission issued Order G-55-13, establishing a Preliminary Regulatory Timetable for its review of the Application which was subsequently amended by Orders G-61-13, G-85-13, G-90-13, and G-155-13;
- L. On May 28, 2013, BC Hydro filed an application with the Commission (FortisBC as a co-applicant) for approval of a New PPA under RS 3808 (RS 3808 Proceeding) which proposes to continue to prohibit FortisBC from selling any RS 3808 electricity to any of its customers when such customer is selling self-generated electricity which is not in excess of its load as defined in section 2.5 of the New PPA;
- M. The RS 3808 Proceeding, which the Commission has yet to make a determination on, addresses certain issues which overlap with parts of this Application. Specifically, issues that relate to the NECP rate rider which was designed around compliance with the restrictions defined in section 2.1 of the current PPA, and now contained in section 2.5 of the proposed New PPA relate to both proceedings;
- N. As requested by the Commission in Order G-90-13, submissions from the parties on further process were filed with the Commission on or before August 27, 2013. Both FortisBC and BCPSO submit that a written hearing is sufficient while Celgar submits that an oral hearing is necessary

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- O. On January 31, 2014, by Order G-12-14, the Commission determined that its review of the issues in the Application that do not overlap with the issues being considered in the RS 3808 Proceeding (stepped rate excluding its application to customers with self-generation, the stand-by rate, and the time-of-use rate) would proceed by way of a written hearing, and that the NECP rate rider, the application of the stepped rate to FortisBC's customers with self-generation, and the retro-active application of rates to Celgar would be deferred until after the Commission made a final determination on the RS 3808 Proceeding;
- P. Order G-12-14 also established a Final Regulatory Timetable for the issues that are currently proceeding;
- Q. FortisBC, by letters dated February 7, 2014 and February 12, 2014, and Celgar, by a letter dated February 11, 2014, commented on certain aspects of Order G-12-14;
- R. On February 13, 2014, Celgar filed a further letter with the Commission requesting extensions to the filing dates provided in the Final Regulatory Timetable established by Order G-12-14.
- S. The Commission sees no prejudice to any party resulting from the requested extension.

NOW THEREFORE the Commission provides an Amended Final Regulatory Timetable attached as Appendix A, as requested by Celgar.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of February, 2014.

BY ORDER

Original signed by:

A.A. Rhodes
Commissioner

Attachment

FortisBC Inc.

Application for Stepped and Stand-By Rates
for Transmission Voltage Customers
(excluding the NECP Rate Rider)

**AMENDED FINAL
REGULATORY TIMETABLE**

ACTION	DATE (2014)
FortisBC Final Submission	Monday, February 24
Intervener Final Submissions	Friday, March 7
FortisBC Reply Submission	Wednesday, March 19