

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-182-14**

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

and

**FortisBC Inc.
Multi-Year Performance Based Ratemaking Plan
for the years 2014 through 2019
Order G-139-14 Amended Financial Schedules Compliance Filing and
Request for Approval of 2014 Permanent Rates and 2015 Interim Rates**

BEFORE: D. A. Cote, Panel Chair / Commissioner
D. M. Morton, Commissioner November 24, 2014
N. E. MacMurphy, Commissioner

O R D E R

WHEREAS:

- A. On June 10, 2013 and July 5, 2013, FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC), respectively, applied to the British Columbia Utilities Commission (Commission) for approval of a multi-year performance based ratemaking (PBR) plan for the years 2014 through 2018;
- B. On September 15, 2014, the Commission issued Order G-138-14 for FEI and Order G-139-14 for FBC, with accompanying decisions, setting out the approved PBR plans for FEI and FBC (collectively FortisBC) for the period from 2014 through 2019 (the PBR Decisions);
- C. The PBR Decisions directed, among other items, that FortisBC submit compliance filings to the Commission within 60 days containing amended financial schedules and incorporating all the adjustments and directives as outlined in the PBR Decisions;
- D. FEI filed its required compliance filing on October 14, 2014. On October 24, 2014, the Commission issued Order G-164-14 approving for FEI, among other things:
 - The use of inflation data from the most recent 12 month period (July through June) for the 2014 rate change calculations and for future annual reviews.
 - The use of Statistics Canada CANSIM Table 326-0020 to determine the CPI-BC and CANSIM Table 281-0063 to determine AWE-BC.

- An adjustment to 2014 inflation for the transition from harmonized sales tax to provincial sales tax as of April 1, 2013 for an increase of 0.1750 percent.
- E. On November 14, 2014, FBC filed its Amended Financial Schedules Compliance Filing (the Compliance Filing) and Application for Approval of 2014 Permanent Rates and 2015 Interim Rates (Application) with the following requested approvals:
- To use inflation data from July through June for the 2014 rate change calculations and the future Annual Reviews;
 - To use Statistics Canada CANSIM Table 326-0020 to determine the CPI-BC and CANSIM Table 281-0063 to determine AWE-BC;
 - To adjust 2014 inflation for the transition from harmonized sales tax to provincial sales tax as of April 1, 2013 for an increase of 0.1750 percent;
 - That the current interim rates for 2014 be made permanent, effective January 1, 2014;
 - Establishment of a non-rate base Interim Rate Variance deferral account, financed at the company's short-term interest rate, to record the difference between the 2014 permanent rates and the 2014 rates calculated in compliance with Order G-13-14, with a credit balance of \$29.682 million (pre-tax), which is to be amortized in future rates over a period to be determined in the annual review of 2015 rates; and
 - A 3.5 percent increase, effective January 1, 2015, on an interim and refundable basis, pending the outcome of the annual review of 2015 rates.
- F. The Commission has reviewed the Compliance Filing and Application and considers that approval is warranted.

NOW THEREFORE pursuant to sections 59 to 61 of the *Utilities Commission Act* the Commission orders as follows:

1. FortisBC Inc. is approved to use inflation data from the most recent 12-month period (July through June) for the 2014 rate change calculations and future annual reviews.
2. FortisBC Inc. is approved to use Statistics Canada CANSIM Table 326-0020 to determine the CPI-BC and CANSIM Table 281-0063 to determine AWE-BC.
3. FortisBC Inc. is approved to adjust 2014 inflation for the transition from harmonized sales tax to provincial sales tax as of April 1, 2013 for an increase of 0.1750 percent.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** **G-182-14**

3

4. FortisBC Inc.'s current 2014 interim rates are approved, on a permanent basis, effective January 1, 2014.
5. FortisBC Inc. is approved to establish a non-rate base 2014 Interim Rate Variance deferral account, financed at the company's short-term interest rate.
6. FortisBC Inc.'s request for a 3.5 percent increase over 2014 rates, effective January 1, 2015, is approved on an interim and refundable basis pending the outcome of the annual review of 2015 rates.

DATED at the City of Vancouver, In the Province of British Columbia, this 24th day of November 2014.

BY ORDER

Original signed by:

D. M. Morton
Commissioner