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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-67-14**

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

and

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

BEFORE: L.A. O'Hara, Commissioner
R.D. Revel, Commissioner
May 26, 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 (the Application) under sections 58-61 of the *Utilities Commission Act*;
- B. The Application requests the following:
 - i. Approval for a conservation Stepped Rate, with Customer Baseline Load (CBL) Guidelines, for all transmission voltage customers (Rate Schedule (RS) 34), an exempt Flat Rate (RS 36) as well as approval to close the existing Flat Rate (RS 31) and transfer customers to RS 34 and RS 36, as appropriate;
 - ii. Approval for a Non-Embedded Cost Power (NECP) Rate Rider which incorporates 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 Time-of-Use Rate (RS 33); and
 - v. A determination of the retroactive application of rates to Zellstoff Celgar Limited Partnership (Celgar);
- C. British Columbia Hydro and Power Authority (BC Hydro), Celgar, International Forest Products Limited (Interfor), the British Columbia Pensioners' and Seniors' Organization *et al.*, and the BC Municipal Electric Utilities registered as Interveners and Tolko Industries Ltd. registered as an Interested Party;
- D. On April 10, 2013, the Commission issued Order G-55-13, establishing a Regulatory Timetable for its review of the Application that was subsequently amended by Orders G-61-13, G-85-13, G-90-13, G-155-13, G-12-14, and G-18-14;

- E. On May 28, 2013, BC Hydro filed an application with the Commission for approval to replace the existing 1993 Power Purchase Agreement (PPA) with FortisBC with a New PPA under RS 3808 (RS 3808 Proceeding). The RS 3808 Proceeding addresses certain issues which overlap with parts of this Application including issues that relate to the NECP Rate Rider;
- F. 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 would proceed by way of a written hearing (RS 34 and RS 36 excluding its application to customers with self-generation, RS 31, RS 37 and RS 33). 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; and
- G. In its Final Submission dated March 19, 2014 FortisBC requested that:
 - a) FortisBC's Application for a Stepped Rates (RS 34, CBL Guidelines, and RS 36) should not be approved at this time; and
 - b) Its request to close RS 31 and 33 be withdrawn if the Stepped Rates are not approved.

NOW THEREFORE the British Columbia Utilities Commission (Commission) orders as follows:

- 1. FortisBC Inc.'s (FortisBC) request to open Rate Schedule 34 "Large Commercial Service – Transmission Stepped Rate" and the attached Customer Baseline Load Guidelines is denied.
- 2. FortisBC's request to open Rate Schedule 36 "Large Commercial Service – Transmission Flat Rate" is denied.
- 3. The Commission consents to the withdrawal of FortisBC's request to close Rate Schedule 31 "Large Commercial Service – Transmission Flat Rate" and Rate Schedule 33 "Large Commercial Service – Transmission Time-of-Use."
- 4. The Commission declines to approve Rate Schedule 37 "Stand-by Service Rate" as proposed in the Application at this time.
- 5. FortisBC is directed to file with the Commission, by June 26, 2014, a revised Rate Schedule 37 "Stand-by Service Rate" incorporating the findings in the attached Decision and addressing both the restrictions on, and availability of, stand-by service. Further process regarding this filing will be decided by the Commission in due course.

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6. FortisBC is directed to submit a filing on the appropriate Contract Demand level in the Underlying Rate and the appropriate level of Stand-by Contract Demand applicable during periods of stand-by service, for Zellstoff Celgar Limited Partnership (Celgar), to be submitted in conjunction with the revised Stand-by Rate.
7. FortisBC is directed to comply with all other directives in the Decision issued concurrently with this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 26th day of May 2014.

BY ORDER

Original signed by:

L.A. O'Hara
Commissioner