

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-42-14**

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

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

BEFORE: L.A. O'Hara, Commissioner
R.D. Revel, Commissioner

March 13, 2014

O R D E R

WHEREAS:

- A. 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*;
- B. 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;
- C. 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;
- D. On April 10, 2013, the Commission issued Order G-55-13, establishing a Regulatory Timetable for its review of the Application which 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 (FortisBC as a Co-applicant) for approval to replace the existing 1993 Power Purchase Agreement (1993 PPA) with a New PPA under RS 3808 (RS 3808 Proceeding). Section 2.5 of the New PPA proposes, among other things, to continue to impose restrictions on FortisBC's ability to sell RS 3808 electricity to its self-generating customers;

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- F. The RS 3808 Proceeding, which the Commission has yet to make a determination, 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 1993 PPA, and now contained in section 2.5 of the proposed New PPA relate to both proceedings;
- G. 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;
- H. On March 11, 2014, FortisBC filed a letter with the Commission requesting that paragraphs 76-99 of the Celgar Final Submission, which was filed on March 7, 2014, in accordance with the Regulatory Timetable established under Order G-18-14, be struck from the record. FortisBC states that Celgar has included in its Final Submission issues that were determined by the Commission in Order G-12-14 to be out of scope, specifically the issues relating to the retro-active application of rates to Celgar.
- I. On March 12, 2014, Celgar filed a letter with the Commission in response to FortisBC's March 11, 2014 letter, submitting that the paragraphs of the Celgar Final Submission that were flagged by FortisBC are within scope and should not be struck from the record.

NOW THEREFORE for the Reasons for Decision attached as Appendix A, the Commission determines Paragraphs 76-99 of the Celgar Final Submission filed on March 7, 2014 are struck from the record and will be redacted by the Commission upon issuance of this Order.

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

BY ORDER

Original signed by:

L.A. O'Hara
Commissioner

Attachment

FortisBC Inc.

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

REASONS FOR DECISION

Background

On February 3, 2014, the Commission ordered that it will review the Stepped Rate excluding its application to customers with self-generation facilities, the stand-by rate, and the time-of-use rate in accordance with the Regulatory Timetable attached. (Exhibit A-15, Order G-12-14)

In the same Order, the Commission also ruled that the retroactive application of rates to Celgar will be addressed once the Commission approves either a new rate for Celgar which complies with the final rate approved in the RS 3808 Proceeding, and/or an Agreement made by the parties.

On February 13, 2014 the Commission issued an Amended Final Regulatory Timetable, with Intervener Final Submissions and FortisBC Reply due on March 7, 2014 and March 19, respectively.

FortisBC Letter Dated March 11, 2014

FortisBC states that Celgar final submissions under the headings “Notice Requirements of Standby Service” (paragraphs 76-79) and “Interim Period Rates for Celgar” (paragraphs 80-89) are outside the scope and should be struck from the record. (Exhibit B-19)

Celgar Letter Dated March 12, 2014

Celgar states that the approach recommended in its Final Submission is within the scope ruling of Order G-12-14. (Exhibit C2-17)

Commission Determination

The Commission Panel finds that the overriding ruling is always found in the directives, not in the Reasons for Decision. Order G-12-14 directs that the retroactive application of rates to Celgar will be addressed once the Commission approves either a new rate for Celgar which complies with the final rate approved in the RS 3808 Proceeding, and/or an Agreement made by the parties. **Accordingly, paragraphs 76-99 of the Celgar Final Submission filed on March 7, 2014, are struck from the record and will be redacted by the Commission upon issuance of this Order.**