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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-26-14

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

and

**FortisBC Inc.
Application for a Permanent Residential Conservation Rate Exemption
for Qualified Farm Customers**

BEFORE:

C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner
B.A. Magnan, Commissioner
D.M. Morton, Commissioner
R.D. Revel, Commissioner

February 27, 2014

O R D E R

WHEREAS:

- A. On February 7, 2014, FortisBC Inc. (FortisBC) filed an application to make the interim residential conservation rate (RCR) exemption for qualified farm customers permanent (the Permanent Exemption Application);
- B. The exemption for qualified farm customers originated from FortisBC's September 27, 2012 application for an exempt residential rate that provided an interim exemption from the RCR for certain qualifying farm customers and a permanent exemption for customers identified as participants in the RCR control group. These exemptions were approved by British Columbia Utilities Commission (Commission) Order G-167-12 on November 8, 2012, with an expiration date for the qualified farm customers of 15 months after the date of Order G-167-12;
- C. The Permanent Exemption Application was filed within the Commission ordered 15-month exemption time-frame, thus avoiding the cancellation of the interim exempt residential rate for qualified farm customers;
- D. The Permanent Exemption Application provides a comparison of revenues, by service point, between the flat residential rate and the RCR. FortisBC calculates that an approximate net \$99,000 loss of residential revenues would occur if exempt farm customers switch back to the flat residential rate from the RCR. FortisBC submits that this net revenue loss represents 0.03 percent of total annual revenue requirements (\$323,403,000 for fiscal 2014). In addition, as compared to the total Residential class revenue requirement of \$171,000,000 the revenue reduction represents only 0.06 percent of revenues and would be immaterial to any future consideration of a required rebalancing of rates between the classes; and
- E. The Commission reviewed the Permanent Exemption Application and determines a written public review process to hear the matter is appropriate.

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NOW THEREFORE the British Columbia Utilities Commission orders as follows:

1. A process for the review of the Permanent Residential Conservation Rate Exemption for Qualified Farm Customers Application is hereby established and will proceed in accordance with the Regulatory Timetable set out in Appendix A to this Order.
2. The interim non-refundable Exempt Residential Rate for farm customers will remain in effect until such time that the review process is complete and a decision pertaining to the Permanent Exemption Application is rendered.

DATED at the City of Vancouver, In the Province of British Columbia, this 28th day of February 2014.

BY ORDER

Original signed by:

D.M. Morton
Commissioner

Attachment

FortisBC Inc.
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REGULATORY TIMETABLE

ACTION	DATE
Filing of Intervener Submissions	Friday, March 14, 2014
Filing of FortisBC Submission	Friday, March 28, 2014
Filing of Intervener Reply Submissions	Friday, April 11, 2014