

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-60-14**

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**

**the British Columbia Hydro and Power Authority  
Application for Approval of Rates between  
BC Hydro and FortisBC Inc. with regards to Rate Schedule 3808,  
Tariff Supplement No. 3 – Power Purchase and Associated Agreements,  
and Tariff Supplement No. 2 to Rate Schedule 3817**

**BEFORE:** L.A. O'Hara, Panel Chair/Commissioner  
B.A. Magnan, Commissioner May 6, 2014  
R.D. Revel, Commissioner

**O R D E R**

**WHEREAS:**

- A. By Orders G-27-93, G-85-93 and G-48-09 the British Columbia Hydro and Power Authority (BC Hydro or Applicant) has supplied electricity to FortisBC Inc. (FortisBC or Co-signatory) to meet a portion of its load service obligations, pursuant to a 20 year Power Purchase Agreement under Tariff Supplement No. 3 (1993 PPA), at rates set out in BC Hydro Rate Schedule 3808 (RS 3808). The 1993 PPA commenced on October 1, 1993, and was set to expire on September 30, 2013;
- B. On May 24, 2013, BC Hydro filed an application with the British Columbia Utilities Commission (Commission) requesting approval, pursuant to sections 58 to 61 of the *Utilities Commission Act*, to replace the existing 1993 PPA with a New Power Purchase Agreement (New PPA), an Imbalance Agreement, an Energy Export Agreement and a Master Accounting Agreement, and to make associated amendments to RS 3808. BC Hydro also requested approval for an amended and restated General Wheeling Agreement under Tariff Supplement No. 2 to Rate Schedule 3817 (Application);
- C. On May 27, 2013, FortisBC filed a twenty-six page letter in support of the Application (Letter of Support);
- D. FortisBC, the British Columbia Pensioners and Seniors Organization *et al*, British Columbia Sustainable Energy Association and Sierra Club of British Columbia, Commercial Energy Consumers' Association of British

Columbia, British Columbia Municipal Electrical Utilities, Zellstoff Celgar Limited Partnership (Celgar), Industrial Customers Group, Vanport Sterilizers, Mr. Norman Gabana, Morgan Stanley Capital Group (Morgan Stanley) and Mr. Alan Wait registered as Interveners in the proceeding;

- E. The Procedural Conference, held on July 29, 2013, was attended by BC Hydro and all of the Registered Interveners other than Morgan Stanley and Mr. Norman Gabana;
- F. On August 1, 2013, by Order G-117-13 and attached Reasons for Decision, the Commission defined the scope of the proceeding; ordered that the Application be heard by way of a written hearing in accordance with a set Regulatory Timetable and directed that upon written acceptance from BC Hydro and FortisBC, the 1993 PPA and the currently approved RS 3808 are to remain in effect until such time as the Commission determines otherwise;
- G. On September 16, 2013, the Commission received written acceptances from BC Hydro and FortisBC for the continuation of the 1993 PPA and RS 3808 as requested by Order G-117-13;
- H. On December 13, 2013, the Commission sought Supplemental Submissions on certain parts of section 2.5 of the New PPA as they related to FortisBC's customers with self-generation;
- I. On April 9, 2014, the Commission received a letter from BC Hydro, in which BC Hydro acknowledges a requirement for greater transparency for determination of customer-specific baselines and Contracted Generator Baselines, recommends a consultation process with FortisBC and stakeholders and proposes amendments to section 2.5 of the New PPA; and
- J. The Commission sought submissions regarding BC Hydro's proposal from parties in accordance with a timetable that concluded the comment process on April 25, 2014.

**NOW THEREFORE** for the reasons stated in the Decision issued concurrently with this Order, the Commission orders pursuant to sections 59-61 of the *Utilities Commission Act* as follows:

1. The Application as amended is approved with an effective date of July 1, 2014.
2. BC Hydro is directed to initiate a consultation process that will result in an application for the New PPA Section 2.5 Guidelines by November 1, 2014. Once the Guidelines have been approved by the Commission, they are to be added to the New Power Purchase Agreement as an appendix.
3. Until the addition of Commission-approved New PPA Section 2.5 Guidelines as an appendix to the New Power Purchase Agreement, the net-of-load methodology will be applied.
4. Pursuant to section 61 of the *Utilities Commission Act*, BC Hydro is directed to file the amended tariffs within 15 business days of the date of this Order.

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-60-14

3

5. FortisBC Inc. is directed to initiate a concurrent consultation process in its service territory to address or ensure:
- (i) the potential benefits of self-generation;
  - (ii) the 1999 Access Principles in the context of self-generating customers;
  - (iii) if the GBL methodology is proposed, GBL Guidelines for both idle historic self-generation and new self-generation; and
  - (iv) arbitrage is not allowed.

FortisBC Inc. is further directed to file a resultant Self-Generation Policy application with the Commission by December 31, 2014, that establishes high level principles for its service territory.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 6<sup>th</sup> day of May 2014.

BY ORDER

*Original signed by:*

L.A. O'Hara  
Panel Chair and Commissioner