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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER F-15-15**

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

and

**Applications for Participant Assistance/Cost Awards
in the Application by FortisBC Energy Inc. for Approval of 2015-2016 Revenue Requirements and Rates
for the Fort Nelson Service Area**

BEFORE: D. A. Cote, Panel Chair/Commissioner
H. G. Harowitz, Commissioner July 23, 2015
I. F. MacPhail, Commissioner

O R D E R

WHEREAS:

- A. By Order G-72-07 dated July 5, 2007, the British Columbia Utilities Commission (Commission) approved Participant Assistance/Cost Award (PACA) Guidelines, included as Appendix A to the order;
- B. On December 3, 2014, FortisBC Energy Inc. (FEI) submitted its 2015-2016 revenue requirements and rates application for the Fort Nelson service area with the Commission pursuant to sections 59–61 of the *Utilities Commission Act* (UCA), seeking, among other things, Commission approval to increase delivery rates (Application);
- C. By Order G-97-15 dated June 10, 2015, which accompanied the Decision on this Application, the Commission approved, among other things, permanent 2015 and 2016 delivery rate increases for the Fort Nelson service area, as modified by the directives in the Decision;
- D. On May 21, 2015 and May 22, 2015, the Commission received PACA applications from the following interveners:
 - British Columbia Old Age Pensioners' Organization, *et al.*; and
 - Commercial Energy Consumers Association of British Columbia;
- E. Pursuant to the PACA Guidelines, FEI was provided an opportunity to comment on the PACA applications and submitted its letter of comment on June 29, 2015; and

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- F. The Commission has considered the PACA applications in the context of this proceeding and the PACA Guidelines.

NOW THEREFORE pursuant to section 118(1) of the *Utilities Commission Act* and for the reasons set out in the reasons for decision attached as Appendix A to this order, the Commission orders as follows:

1. Funding is awarded to the following interveners for their participation in the FortisBC Energy Inc. Application for Approval of 2015-2016 Revenue Requirements and Rates for the Fort Nelson service area proceeding:

Intervener	PACA Application	PACA Award
British Columbia Old Age Pensioners' Organization, <i>et al.</i>	\$7,557.67	\$6,441.62
Commercial Energy Consumers Association of British Columbia	\$12,762.75	\$12,762.75

2. FortisBC Energy Inc. is directed to reimburse the above participants for the respective amounts that have been awarded in a timely manner.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of July 2015.

BY ORDER

Original signed by:

D. A. Cote
Panel Chair/Commissioner

Attachment

Applications for Participant Assistance/Cost Awards
in the Application by FortisBC Energy Inc. for Approval of 2015-2016 Revenue Requirements and Rates
for the Fort Nelson Service Area

REASONS FOR DECISION

INTRODUCTION

On June 10, 2015, the Commission issued its Decision for the 2015-2016 Revenue Requirements and Rates for the Fort Nelson service area. Applications for Participant Assistance/Cost Awards (PACA) were received from the following participants in this proceeding and are assessed in these reasons for decision:

1. Commercial Energy Consumers Association of British Columbia (CEC); and
2. British Columbia Old Age Pensioners' Organization, *et al.* (BCOAPO).

In preparing these reasons for decision, the Panel has considered the PACA Guide lines which address the eligibility requirements and criteria used to assess the amount of the award.

FortisBC Energy Inc. (FEI) was provided the opportunity to comment on the interveners' funding applications. FEI raised a concern with respect to CEC's PACA application which is addressed further in these reasons. FEI had no issues with the BCOAPO PACA application.

DETERMINATION OF PACA AMOUNTS

CEC

CEC submitted its PACA application which totalled \$12,762.75 on May 22, 2015. The application was based on 2.75 days for legal at \$1,800 per day and 5.5 days for consulting at \$1,250 per day. The work undertaken included a review of the application, preparation and review of responses to two rounds of information requests (IRs) and preparation of its final submission. CEC IRs explored a number of areas in the application which impact rates including demand forecasts, operations and maintenance (O&M) expenses, capital additions, and energy, efficiency and conservation programming. CEC commented on all of these areas in its 17 page final submission and made recommendations for change in a number of cases.

FEI in its June 29, 2015 letter of comment on PACA applications stated that it believed that some reduction in funding for CEC is appropriate. FEI justifies this reduction on the basis that in spite of the Commission's instruction to the parties to utilize IR No. 2 where necessary, CEC asked 57 questions of which 10 were not relevant or had been addressed in the first round of IRs.

Commission determination

The Panel has considered FEI's recommendation for a reduction to CEC's PACA in light of the PACA Guidelines. While the number of questions raised by CEC in IR No. 2 was higher than expected, we must consider this from the perspective of CEC's overall contribution to our understanding of the issues and whether the applied for costs for participation in the proceeding are reasonable. **The Panel finds that the IRs and submissions made by CEC were helpful in contributing to our understanding of the issues and useful in helping us reach determinations on the issues at play. The Panel also finds that the amounts claimed by CEC are reasonable**

given CEC's contribution and the fact that it addressed a broad range of issues within the application. The Panel directs FEI to reimburse the PACA amount of \$12,762.75 inclusive of expenses and applicable taxes as applied for by CEC. While cautioning CEC to ensure care is taken to avoid duplication or out of scope IRs in the future, we do not consider any reduction in PACA in this instance is appropriate.

BCOAPO

BCOAPO submitted its PACA application which totalled \$7,557.67 on May 21, 2015. The application was based on three days for legal, 20 percent at \$1,800 per day and 80 percent at \$1,400 per day, and 1.88 days for consulting at \$1,250 per day. The work undertaken included a review of the application, preparation of one round and review of responses to two rounds of IRs, and preparation of a final submission. BCOAPO IRs focused on a limited number of areas concerning the impacts of changes in rate base, capital expenditures and the historical accuracy of demand forecasts. In its four-page final Submission, BCOAPO limited its comments to issues related to O&M expenses, rate stability and deferral accounts.

FEI in its aforementioned letter of comment stated "so long as the Commission has no concerns with the time identified or the amounts applied for, FEI has no comment."

Commission determination

The Panel notes that BCOAPO took a narrower view of the Fort Nelson 2015-2016 Revenue Requirements Application than did CEC and its questions and comments were focused on a very limited number of issues. The limited number of issues raised by BCOAPO and its commentary is reflected to a degree in its smaller PACA request. The Panel acknowledges that the amount of time submitted for legal and consultant work in this proceeding is not out of line with requirements to review the material and participate in the proceeding. However, our expectations are that an intervener must be critical in its approach to the review and demonstrate a solid understanding of the key issues at play. **The Panel finds that this was not the case in this proceeding and BCOAPO's contribution did little to contribute to a better understanding of many of the key issues. For this reason, the Panel determines that legal and consultant fees allowable for recovery should be reduced by 15 percent (\$1,116.05 inclusive of applicable taxes) and approves the adjusted PACA amount of \$6,441.62. The Panel directs FEI to reimburse the PACA amount of \$6,441.62 inclusive of expenses and applicable taxes.**