



ORDER NUMBER
F-4-17

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Inc.
Annual Review for 2017 Rates

BEFORE:

W. M. Everett, QC, Panel Chair/Commissioner
M. Kresivo, QC, Commissioner

February 28, 2017

ORDER

WHEREAS:

- A. By Order G-123-16 dated July 28, 2016, the British Columbia Utilities Commission (Commission) established the regulatory timetable for the FortisBC Inc. (FBC) annual review for 2017 rates, which included the anticipated date for FBC to file its annual review materials, intervenor registration, one round of information requests, a workshop, FBC's response to workshop undertakings, and written final and reply arguments;
- B. On August 8, 2016, FBC submitted its Annual Review for 2017 Rates Application materials (Application). In the Application, FBC requested approval of, among other things, a 3.60 percent permanent rate increase for 2017 to be applied to all components of rates for all customer classes;
- C. On October 5, 2016, FBC submitted, by evidentiary update, an amendment to the Application reducing the originally requested permanent rate increase of 3.60 percent to 2.76 percent;
- D. The following Interveners filed Participant Assistance/Cost Award (PACA) applications with the Commission with respect to their participation in the proceeding:

Date	Participant	Application
November 16, 2016	BC Sustainable Energy Association and Sierra Club of BC	\$6,854.40
November 23, 2016	British Columbia Old Age Pensioners' Organization, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre	\$11,120.75
November 22, 2016	Commercial Energy Consumers Association of BC	\$12,015.95
December 9, 2016	Irrigation Ratepayers Group	\$7,365.17
December 9, 2016	Industrial Customers Group	\$5,947.20

- E. By Orders G-8-17 and G-11-17 issued on January 20, 2017 and January 27, 2017, respectively, the Commission, among other things, accepted the capital expenditure schedules for the Ruckles Substation Rebuild project and the Upper Bonnington Old Units Refurbishment project, and approved a general rate increase of 2.76 percent to be applied to all components of rates for all customer classes on a permanent basis, effective January 1, 2017;
- F. By letter dated February 10, 2017, FBC provided its comments on the PACA applications, stating that so long as the Commission has no concerns with the time identified or the amounts applied for, FBC had no comment; and
- G. The Commission reviewed the PACA applications in accordance with the criteria and rates set out in the PACA Guidelines attached to Commission Order G-72-07 and makes the following determinations on cost awards.

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

1. Funding is awarded to the following interveners in the amounts listed in the table below for their participation in the FortisBC Inc. Annual Review for 2017 Rates proceeding:

Participant	Award
BC Sustainable Energy Association and Sierra Club of BC	\$6,854.40
British Columbia Old Age Pensioners' Organization, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre	\$11,120.75
Commercial Energy Consumers Association of BC	\$12,015.95
Irrigation Ratepayers Group	\$3,513.17
Industrial Customers Group	\$5,947.20

2. FortisBC Inc. is directed to reimburse the above-noted participants for the awarded amount in a timely manner.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of February 2017.

BY ORDER

Original signed by:

W. M. Everett, QC
Commissioner

Attachment

Applications for Participant Assistance/Cost Awards
in the FortisBC Inc. Annual Review for 2017 Rates

REASONS FOR DECISION

1.0 BACKGROUND

The British Columbia Utilities Commission (Commission) received Participant Assistance/Cost Award (PACA) applications from five participants in the FortisBC Inc. (FBC) Annual Review for 2017 Rates (Application) proceeding. The five participants are as follows:

- BC Sustainable Energy Association and Sierra Club of BC (BCSEA);
- British Columbia Old Age Pensioners' Organization, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre (BCOAPO);
- Commercial Energy Consumers Association of BC (CEC);
- Irrigation Ratepayers Group (IRG); and
- Industrial Customers Group (ICG).

The Panel, in its review of the PACA applications, took into consideration the PACA Guidelines set out in Commission Order G-72-07 and FBC's comments dated February 10, 2017.

2.0 PACA GUIDELINES

The PACA Guidelines set out the eligibility requirements and criteria used in assessing cost awards, including the process for applying for a cost award and eligible costs and rates.

The Panel first considers whether the participant has a substantial interest in a substantial issue in the proceeding in determining an award of all or any portion of a participant's costs. Except in limited circumstances, it is expected that only ratepayer groups will establish a substantial interest in a substantial issue so as to be eligible for an award in a revenue requirements proceeding. The principal interest of ratepayer groups will be the rate impacts of the revenue requirements to be paid by the ratepayer participants.

The Panel then considers the following:

- (i) Will the participant be affected by the outcome?
- (ii) Has the participant contributed to a better understanding of the issues by the Commission?
- (iii) Are the costs incurred by the participant for the purposes of participating in the proceeding fair and reasonable?
- (iv) Has the Participant joined with other groups with similar interests to reduce costs?
- (v) Has the Participant engaged in any conduct that tended to unnecessarily lengthen the duration of the proceeding?
- (vi) Any other matters appropriate in the circumstances.

If the Commission considers it to be an appropriate consideration in a proceeding, the Commission may consider the participant's ability to participate in the proceeding without an award.

3.0 PROCEEDING AND PREPARATION DAYS

The Application was reviewed by way of a written hearing process. The regulatory review consisted of a half day workshop, one round of information requests (IR), and one round of written final and reply arguments.

Section 4 of the PACA Guidelines states that the term "proceeding days" may include workshop days, negotiation days, pre-hearing conference days, hearing days, and oral argument days. Furthermore, the PACA Guidelines state the Panel may award costs for preparation days, typically on a ratio of up to two days per proceeding day although the number of proceeding days and the ratio used for the purposes of calculating awards may vary.

Commission determination

While the term proceeding days cannot be directly applied to written hearings, the Panel has considered the events set out in the regulatory timetable and determines that 4.0 days will be the maximum eligible number of days for PACA funding.

4.0 PACA APPLICATIONS

The five PACA applications received are summarized as follows:

Participant	Award
BC Sustainable Energy Association and Sierra Club of BC	\$6,854.40
British Columbia Old Age Pensioners' Organization <i>et al.</i>	\$11,120.75
Commercial Energy Consumers Association of BC	\$12,015.95
Irrigation Ratepayers Group	\$7,365.17
Industrial Customers Group	\$5,947.20

The Panel notes among the PACA applicants, all participants applied for less than or equal to the maximum eligible number of days for PACA funding, all participants attended the workshop, and all participants submitted IRs other than IRG. For the reasons which follow, the Panel concludes that the five participants are eligible for PACA funding. The final PACA award for each participant is described below.

Commission determination

BCSEA, BCOAPO, CEC and ICG

In its consideration of the PACA Guidelines, the Panel finds that BCSEA, BCOAPO, CEC and ICG are eligible for PACA funding in this proceeding as they are ratepayer groups with a substantial interest in a substantial issue. Each participant attended and participated in the workshop, submitted one round of IRs, and submitted a final argument.

The Panel considers the participants contributed to a better overall understanding of the Application. The description of work and time spent on the proceeding is reasonable. Accordingly, **the Panel awards BCSEA, BCOAPO, CEC and ICG the full amount of the cost awards as filed inclusive of applicable taxes and disbursements.**

IRG

IRG requests a cost award of \$7,365.17 based on 3.8 days for legal counsel at \$1,800 per day (plus applicable taxes) and disbursements of \$46.37 for printing, travel and parking at the workshop. Members of IRG represent a distinct class of FBC ratepayer who jointly intervened to reduce costs and avoid redundant submissions and participated in the proceedings through representation by counsel.

The Panel finds IRG is eligible for PACA funding in this proceeding as it is a ratepayer group and has a substantial interest in a substantial issue. While the Panel recognizes IRG's participation in the proceeding through its attendance at the workshop and submission of a final argument, the Panel notes that IRG did not submit written IRs, which the Panel considers to be a significant component of this proceeding. Accordingly, the Panel finds that IRG did not participate in the full regulatory review, and determines that a reduction of 2.0 days from the requested PACA is warranted. **The Panel therefore awards IRG an amount of \$3,513.17 inclusive of applicable taxes and disbursements.**