



ORDER NUMBER
G-338-20

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

and

FortisBC Energy Inc.
Application for Approval of the System Extension Fund on a Permanent Basis

BEFORE:

K. A. Keilty, Panel Chair
M. Kresivo, QC, Commissioner
B. A. Magnan, Commissioner

on December 18, 2020

ORDER

WHEREAS:

- A. On June 29, 2020, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC) for approval of the System Extension Fund (SEF) on a permanent basis, pursuant to sections 29, 30 and 59 to 61 of the *Utilities Commission Act* (UCA), effective January 1, 2021, including an amendment to the SEF funding rules (Application);
- B. By Order G-147-16 dated September 16, 2016, and accompanying decision on FEI's 2015 System Extension Application, FEI established the SEF pilot program, providing funding of a maximum of 50 percent of the Contribution in Aid of Construction (CIAC) for prospective new residential customers, from January 1, 2017 until December 31, 2020;
- C. In the Application, FEI proposes to amend the funding rules for the SEF framework to increase the SEF funding from a maximum of 50 percent to a maximum of 95 percent of the CIAC for prospective new residential customers. FEI proposes that all other aspects of the SEF framework and funding rules as a permanent program remain the same as the SEF pilot program;
- D. By Order G-198-20 dated July 22, 2020, the BCUC established a public hearing and regulatory timetable for review of the Application, consisting of one round of BCUC and intervener information requests, followed by final and reply arguments;
- E. On October 8, 2020, in accordance with the regulatory timetable, FEI submitted its Final Argument. On October 13, 2020, FEI submitted a revision to Exhibit B-5 and a revision to its Final Argument;
- F. By Order G-257-20 dated October 14, 2020, the BCUC amended the regulatory timetable to extend the deadline for Intervener Final Argument and Reply Argument. On October 20, 2020, interveners submitted Final Argument. On October 27, 2020, FEI submitted its Reply Argument; and

G. The Panel has reviewed the Application, evidence and submissions and considers approval is warranted.

NOW THEREFORE, pursuant to sections 29, 30 and 59 to 61 of the UCA and for the reasons contained in the decision issued concurrently with this order, the BCUC orders as follows:

1. FEI's SEF is approved on a permanent basis, effective January 1, 2021.
2. FEI is approved to increase the funding percentage to a maximum of 95 percent of the CIAC, to a maximum of \$10,000 per customer, effective January 1, 2021.
3. FEI is directed to file black-line changes to its General Terms and Conditions that are consistent with the decision accompanying this order and to do so within 30 days of the date of this order.
4. FEI is directed to include the following in its annual Mains Extension (MX) report:
 - Total number of SEF applications received, including the breakdown of approved and denied requests;
 - Dollar values of the approved requests;
 - Reasons for denied funding;
 - Switches from higher greenhouse gas sources to natural gas (e.g. propane, heating oil, diesel, etc.); and
 - Information on when the funding cap of \$1 million is reached in any given year.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of December 2020.

BY ORDER

Original signed by:

K. A. Keilty
Commissioner