



ORDER NUMBER
G-366-21

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

and

FortisBC Energy Inc.
Annual Review for 2022 Delivery Rates

BEFORE:

A. K. Fung, QC, Panel Chair
T. A. Loski, Commissioner
R. I. Mason, Commissioner

on December 10, 2021

ORDER

WHEREAS:

- A. On June 22, 2020, the British Columbia Utilities Commission (BCUC) issued its Decision and Orders G-165-20 approving a Multi-Year Rate Plan (MRP) for 2020 through 2024 (2020-2024 MRP Decision) for FortisBC Energy Inc. (FEI) and G-166-20 for FortisBC Inc. (FBC) respectively. In accordance with the 2020-2024 MRP Decision, FEI is to conduct an annual review (Annual Review) process to set the delivery rates for each year;
- B. By letter dated July 13, 2021, FEI proposed a regulatory timetable for the Annual Review of its 2022 delivery rates;
- C. By Order G-227-21 dated July 27, 2021, the BCUC established the regulatory timetable for the Annual Review of FEI's 2022 delivery rates, which included FEI filing its Annual Review materials, intervener registration, one round of information requests, a workshop, FEI's response to undertakings at the workshop, and written final and reply arguments;
- D. On July 30, 2021, FEI submitted its materials for the Annual Review for 2022 Delivery Rates Application (Application). In the Application, FEI requests an 8.07 percent delivery rates increase over the 2021 delivery rates, effective January 1, 2022, among other things;
- E. By letter dated October 27, 2021, FEI amended its approvals sought with respect to the creation of a non-rate base deferral account titled the Regional Gas Supply Diversity (RGSD) Project Development Costs deferral account. FEI's request, as amended, is to record the costs of development activities of a RGSD project to a maximum initial amount of \$11.1 million, including Pre-Phase 1 development activities of \$1.1 million and Phase 1A development activities of \$10 million; and
- F. The BCUC has reviewed the Application, evidence and arguments filed in the proceeding and makes the following determinations.

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

1. FEI is approved to increase its delivery rates for 2022 by 8.07 percent on a permanent basis, effective January 1, 2022, subject to any adjustments resulting from the directives and determinations made in the decision issued concurrently with this order.
2. FEI is approved to:
 - a. Establish rate base deferral accounts for the following:
 - i. Transportation Service Report, with the amortization period to be determined in a future proceeding;
 - ii. 2021 Generic Cost of Capital Proceeding, with the amortization period to be determined in a future proceeding; and
 - iii. 2021 Renewable Gas Program Comprehensive Review, with the amortization period to be determined in a future proceeding;
 - b. Amortize the residual balance in the Waste Connections Costs and Recoveries deferral account in 2022; and
 - c. Transfer the existing non-rate base 2017 & 2018 Revenue Surplus deferral account to rate base, and to amortize the remaining deferral account balance in 2022.
3. FEI is denied the request to create a non-rate base deferral account titled the RGSD Project Development Costs deferral account.
4. FEI is approved to change the frequency of reporting on the COVID-19 Customer Recovery Fund Deferral Account from monthly to quarterly.
5. FEI is approved to set the Biomethane Variance Account Rate Rider for 2022 in the amount of \$0.059 per gigajoule (GJ) as calculated in Section 10.3.1 of the Application.
6. FEI is approved to set Revenue Stabilization Adjustment Mechanism riders for 2022 in the amount of \$0.012 per GJ as set out in Table 10-5 in Section 10.3.2 of the Application.
7. FEI is approved to budget the 2022 Core Market Administration Expense (CMAE costs) at \$5,575 thousand, as set out in Schedule 1 in Appendix B of the Application, and to continue to allocate the CMAE costs between FEI's Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account at 30 percent and 70 percent, respectively.
8. FEI is directed to file as a compliance filing the finalized financial schedules and tariff continuity and bill impact schedules for 2022 no later than 10 days from the date of the issuance of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of December 2021.

BY ORDER

Original signed by:

A. K. Fung, Q.C.
Commissioner