



**ORDER NUMBER  
G-382-22**

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

and

FortisBC Inc.  
Annual Review for 2023 Rates

**BEFORE:**

E. B. Lockhart, Panel Chair  
C. M. Brewer, Commissioner  
A. Pape-Salmon, Commissioner

on December 22, 2022

**ORDER**

**WHEREAS:**

- A. On June 22, 2020, the British Columbia Utilities Commission (BCUC) issued its Decision and Order G-165-20 for FortisBC Energy Inc. and Order G-166-20 for FortisBC Inc. (FBC) approving a Multi-Year Rate Plan for 2020 through 2024 (MRP Decision). In accordance with the MRP Decision, FBC is to conduct an annual review (Annual Review) process to set rates for each year;
- B. By letter dated June 28, 2022, FBC proposed a regulatory timetable for the Annual Review of its 2023 rates;
- C. By Order G-193-22 dated July 15, 2022, the BCUC established a regulatory timetable for the Annual Review of FBC's 2023 rates, which included the anticipated date for FBC to file its Annual Review materials, the deadline for intervenor registration, one round of information requests, a workshop, FBC's response to undertakings at the workshop, intervenor written final arguments and FBC written reply argument;
- D. On August 5, 2022, FBC submitted its Annual Review for 2023 Rates Application seeking, among other things, pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act* (UCA), approval of a general rate increase of 3.99 percent over 2022 rates (Application);
- E. By letter dated November 29, 2022, FBC submitted a request to the BCUC for approval of an amended interim general rate increase of 3.98 percent over 2022 rates, effective January 1, 2023. The amended rate request was based on a re-calculation of the forecast 2023 revenue deficiency and resulting rates due to adjustments identified by FBC during the regulatory review process and which were explained at the workshop;

- F. By Order G-349-22, dated December 5, 2022, the BCUC approved an amended general rate increase of 3.98 percent over 2022 rates, on an interim and refundable/recoverable basis, effective January 1, 2023, pending the BCUC's final decision on the Application; and
- G. 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 and 89 of the *Utilities Commission Act*, for the reasons stated in the decision issued concurrently with this order (Decision), the BCUC orders as follows:

1. Subject to the adjustments from the removal of \$27.959 million relating to the Corra Linn Spillway Gate Replacement Project from its 2023 rate base as outlined in the Decision, FBC is approved to increase its rates for 2023 by 3.98 percent on a permanent basis effective January 1, 2023.
2. FBC is directed to establish a rate base deferral account to capture the difference between FBC's 2023 permanent rates, and any future rate impact resulting from the BCUC's final determinations on Stage 1 of the BCUC's Generic Cost of Capital proceeding.
3. The level of forecast growth, sustainment and other capital to be incorporated into rates for the years 2023 and 2024, as set out in Section 7.2.1 of the Application and adjusted as described in Table 1 of the Decision, is approved.
4. FBC is approved to:
  - a. Establish a rate base deferral account for the 2023 Joint Pole Use Audit, with the balance in the deferral account to be amortized over five years commencing January 1, 2023;
  - b. Amortize the existing COVID-19 Customer Recovery Fund Deferral Account over a three-year period, commencing January 1, 2023; and
  - c. Cease reporting on the COVID-19 Customer Recovery Fund Deferral Account following the submission of a final quarterly report for Q4 2022.
5. Directive 6 of Order G-42-21 is rescinded and replaced with the following: "FBC is approved to record COVID-19 incremental costs and related savings from 2020 and 2021 as discussed in Section 12.2.1 of the Application into the Flow-through deferral account."
6. Directive 2 of Order G-83-14 is rescinded and replaced with the following: "Approval is granted until such time as FBC no longer has an exemption to prepare and file its financial statements in accordance with US GAAP or is no longer reporting under US GAAP for financial reporting purposes."
7. FBC is directed to file finalized financial schedules and updated tariff pages within 30 days of the issuance of this order, reflecting the directives and determinations in this Decision.
8. FBC is directed to comply with all other directives identified in the Decision.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 22<sup>nd</sup> day of December 2022.

BY ORDER

*Original signed by:*

E.B. Lockhart  
Commissioner