



**bcuc**  
British Columbia  
Utilities Commission

**Sara Hardgrave**  
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February 2, 2023

**Letter L-2-23**

Ms. Sarah Walsh  
Director, Regulatory Affairs  
FortisBC Energy Inc.  
16705 Fraser Highway  
Surrey, BC V4N 0E8  
gas.regulatory.affairs@fortisbc.com

**Re: FortisBC Energy Inc. – Gas Supply Mitigation Incentive Program  
Year End Report November 2021 – October 2022**

Dear Ms. Walsh:

The British Columbia Utilities Commission (BCUC) is in receipt of FortisBC Energy Inc.'s (FEI) report dated December 30, 2022 as required by Order G-232-19.

FEI filed a Gas Supply Mitigation Incentive Program (GSMIP) Year End Report for the period from November 1, 2021 to October 31, 2022 (2021-2022 GSMIP Report), in accordance with BCUC Order G-232-19.

The 2021-2022 GSMIP Report submits the calculation of the overall GSMIP incentive payment of \$4,639,756 for the mitigation activities FEI performed in 2021/22. Appendix A1 to A3 of the 2021-2022 GSMIP Report contains an electronic working copy of the GSMIP model spreadsheet which FEI filed confidentially due to commercially sensitive information.

The BCUC has reviewed the 2021-2022 GSMIP Report in accordance with the 2019-2022 GSMIP Term Sheet. FEI did not perform any new activities in 2021/22. Appendix A to this letter provides a table from FEI that shows the mitigation activity summary including the overall GSMIP incentive payment of \$4,639,756 for 2021/22.

The BCUC accepts the calculation of the GSMIP incentive payment of \$4,639,756 for the mitigation activities FEI performed in the 2021/22 year. The BCUC will keep the GSMIP model spreadsheet confidential as requested by FEI as it contains commercially sensitive information.

The BCUC reviewed the report and is satisfied that the requirements of Order G-232-19 have been met.

Sincerely,

*Original signed by:*

Sara Hardgrave  
Acting Commission Secretary

CMV/db  
Enclosure

FortisBC Energy Inc.  
Gas Supply Mitigation Incentive Program  
Year End Report November 2021 – October 2022

**Table 1: Mitigation Activity Summary**

Mitigation Activity Summary				
	Total for 2021/22		Total for 2020/21	
Mitigation Activity	Net Mitigation Revenue (in Millions)	Incentive Earned	Net Mitigation Revenue (in Millions)	Incentive Earned
<b>BENCHMARKED ACTIVITIES</b>		3.75%		3.30%
<b>Total</b>	\$120.896	\$4.534	\$74.304	\$2.452
<b>NON-BENCHMARKED ACTIVITIES</b>		4.00%		4.00%
<b>Total</b>	\$7.805	\$0.312	\$6.279	\$0.251
<b>NEW ACTIVITIES</b>		12.00%		12.00%
<b>Total</b>	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Mitigation Revenue</b>	\$128.701		\$80.583	
<b>Gross Incentive based on allowed % of mitigation revenues<sup>(1)</sup></b>	\$4.840		\$2.703	
<b>Less Fixed Deduction<sup>(2)</sup></b>	\$0.200		\$0.200	
<b>GSMIP Incentive Payment</b>	\$4.640		\$2.503	

1. The percentage of allowable earnings is different between mitigation activity categories. This is described in more detail in the following sections.
2. The fixed deduction of \$200,000 is in accordance with the Term Sheet.