



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-75-05

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IN THE MATTER OF

the Utilities Commission Act, RSBC 1996, Chapter 473, as amended

and

FortisBC Inc.
Performance Metrics – Commission Order No. G-52-05

BEFORE: L.F. Kelsey, Commissioner
L.A. Boychuk, Commissioner August 18, 2005

O R D E R

WHEREAS:

- A. On May 31, 2005, the British Columbia Utilities Commission (“Commission”) issued its Decision and Order No. G-52-05 with respect to FortisBC Inc.’s (“FortisBC”, “Company”) 2005 Revenue Requirements, 2005-2024 System Development Plan, and 2005 Resource Plan; and
- B. In the Decision, the Commission directed the Company to file within 60 days of the Decision, for review and approval, objective and measurable performance metrics and specific targets to be achieved in 2005; and
- C. On July 28, 2005, in compliance with the above directive, FortisBC filed with the Commission a report entitled “Performance Metrics, Commission Order No. G-52-05” (“the Report”); and
- D. On August 5, 2005, the Commission issued Letter No. L-64-05 requesting written comments from Registered Intervenors in the FortisBC 2005 Revenue Requirements Oral Hearing process with respect to the performance metrics and specific targets for 2005. The Commission also asked Registered Intervenors for their views on whether the performance metrics and specific targets for 2005 should be reviewed in a more comprehensive and formal process and to suggest what type of process they prefer; and
- E. By letter dated August 10, 2005, The British Columbia Public Interest Advocacy Centre (“BCPIAC”), on behalf of its clients, expressed concerns with respect to some of the proposed standards and the level of some of the suggested targets. BCPIAC also submitted that the performance metrics and specific targets for 2005 need to be reviewed in a more comprehensive process and believed the issues could best be resolved through a negotiated settlement process; and
- F. On August 11, 2005, Mr. A. Wait provided a written response, wherein he indicated that the performance metrics could be dealt with at a future revenue requirements hearing and that a comprehensive review at this time is not required; and
- G. On August 16, 2005, FortisBC filed a letter wherein it informed the Commission as to the Company’s intent with respect to upcoming regulatory filings related to revenue requirements. In the same letter FortisBC also

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2

suggested that the Commission could include the 2005 Annual Review as part of the process which will review its 2006 Revenue Requirements Application; and

- H. The Commission has considered the Report and subsequent letter filed by FortisBC and the written comments received from Registered Intervenors. The Commission notes the concerns raised by BCPIAC and FortisBC's stated intention with respect to upcoming regulatory filings which, in the Commission's view would provide a forum and opportunity, as appropriate, to address those concerns.

NOW THEREFORE the Commission orders as follows:

1. The Report is accepted as filed by FortisBC.
2. At this time, no further review process is required with respect to the Report as filed by FortisBC. The performance metrics and specific targets pertaining thereto may be reviewed by the Commission in a comprehensive manner, as appropriate, in a future regulatory proceeding.
3. At the FortisBC 2005 Annual Review, to be set down by the Commission at a future date, the applicable performance metrics and specific targets for 2005 contained in the Report will be used in the determination of whether to disqualify FortisBC from sharing in an eligible favourable operating expense variance in 2005.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of August 2005.

BY ORDER

Original signed by:

Lori Ann Boychuk
Commissioner