



SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-111-11

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

an Application by FortisBC Inc.
for Approval of 2012 – 2013 Revenue Requirements and
Review of 2012 Integrated System Plan

BEFORE: A.A. Rhodes, Commissioner

June 30, 2011

O R D E R

WHEREAS:

- A. On June 30, 2011, FortisBC Inc. (FortisBC or the Company) filed an application pursuant to sections 44.1, 56 and 59 to 61 of the *Utilities Commission Act* (the *Act*) for approval of its 2012 – 2013 Revenue Requirements and the review of its 2012 Integrated System Plan (collectively referred to as the Application);
- B. The Application contains 2 parts:
 - 1) FortisBC's 2012 – 2013 Revenue Requirements (including the Company's 2012 – 2013 Capital Expenditure Plan filed pursuant to section 44.2(1) of the *Act*),
 - 2) FortisBC's 2012 Integrated System Plan filed pursuant to section 44.1 of the *Act*, comprising its 2012 Long Term Capital Expenditure Plan, its 2012 Resource Plan, and its 2012 Long Term Demand Side Management Plan;
- C. FortisBC seeks, among other things, approval of interim and permanent rate increases of 4.0 percent effective January 1, 2012, with any difference between interim and permanent rates to be refunded to or collected from customers by way of a general rate adjustment between the effective date of the permanent rates and December 31, 2012. FortisBC also seeks a permanent rate increase of 6.9 percent effective January 1, 2013;
- D. The Company requests a determination from the British Columbia Utilities Commission (the Commission) on whether the 2012 – 2013 Capital Expenditure Plan is in the public interest pursuant to section 44.2 (3) (a) and satisfies the requirements of section 45(6) of the *Act*. A list of capital projects is contained in the Application in Tables 2.0, 3.0, 4.0, 5.0, 6.0 and 7.0 of the 2012 – 2013 Capital Plan;
- E. The Company also requests a Commission determination on whether the 2012 Integrated System Plan is in the public interest pursuant to section 44.1 (6);
- F. FortisBC proposes a Workshop to review the Application on Friday, July 22, 2011, commencing at 9:00 a.m., at the Holiday Inn Express, 2429 N. Highway 97, Kelowna, BC;

- G. FortisBC proposes that the Application proceed through a negotiated settlement process, or alternatively, by way of a written hearing process including two rounds of Commission and Intervener Information Requests to be followed by a Procedural Conference on Wednesday, October 26, 2011, commencing at 9:00 a.m., in Kelowna, BC, at a location to be determined;
- H. The Company proposes that its Load Forecast be reviewed by a Load Forecast Technical Committee to be made up of FortisBC, interested Interveners and Commission Staff, and that the Load Forecast be exempt from the Information Request process. FortisBC states that a report outlining the Technical Committee's review and recommendations will be submitted as evidence in the proceeding;
- I. According to the terms of the Company's Performance-Based Regulation Plan for 2011, an Annual Review is required to assess the Company's forecast 2011 financial results and non-financial performance. FortisBC proposes to hold the 2011 Annual Review in Kelowna on Tuesday, October 25, 2011;
- J. The Commission has reviewed FortisBC's proposed regulatory timetable and considers that an initial regulatory timetable should be established.

NOW THEREFORE the Commission orders as follows:

- 1. The Application will proceed according to the Initial Regulatory Timetable, attached as Appendix A to this Order.
- 2. FortisBC will hold a Workshop to review the Application on Friday, July 22, 2011, commencing at 9:00 a.m., at the Holiday Inn Express, 2429 N. Highway 97, Kelowna, BC.
- 3. The Company's Load Forecast will not be subject to the initial Information Requests process and will instead be reviewed by a Load Forecast Technical Committee to be established following the Workshop. FortisBC will submit a report outlining the Load Forecast Technical Committee's review and recommendations in this proceeding.
- 4. The Company's 2011 Annual Review will be held in Kelowna, at a date and location to be determined.
- 5. A Procedural Conference will be held on a date and at a location to be determined, in Kelowna, BC. The Procedural Conference will address matters such as:
 - a. Process options for review of the Application, including:
 - Negotiated settlement process
 - Written hearing
 - Oral public hearing
 - Or, as appropriate, some combination of processes;
 - b. Timetable (further information requests, intervener evidence, etc.);
 - c. Interim rates;
 - d. Location(s) of the proceedings;
 - e. Other matters that will assist in the efficient review of the Application.

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6. FortisBC is to provide a copy of this Commission Order and the Initial Regulatory Timetable attached as Appendix A to this Order to all parties who registered and/or participated in the 2011 Revenue Requirements Application and the 2011 Capital Expenditure Plan proceedings.
7. FortisBC will publish the Notice of Application and Workshop, attached as Appendix B to this Order, in local news publications in the FortisBC service area, as soon as possible. Publication will be in display-ad format.
8. The Application, together with any supporting materials, will be made available for inspection at the following locations:

FortisBC Inc. Suite 100 - 1975 Springfield Road Kelowna, BC V1Y 7V7 Telephone: 1-866-436-7847	BC Utilities Commission Sixth Floor, 900 Howe Street Vancouver, BC V6Z 2N3 Telephone: 604-660-4700
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FortisBC will make available the Application available on its website at <http://www.fortisbc.com>.

9. Those who wish to participate in the FortisBC Application proceeding as Interveners or Interested Parties should register with the Commission, via written or electronic submission, by Wednesday, July 20, 2011. Interveners should provide the following information: the nature of their interest in the Application, the nature of the issues they intend to pursue during the proceeding, the nature and extent of their anticipated involvement in the review, including whether they expect to file written evidence as part of the hearing.
10. Interveners intending to apply for Participant Assistance/Cost Awards (PACA) must submit a budget estimate by Monday, August 22, 2011. These applications should be consistent with the Commission's PACA Guidelines outlined in Order G-72-07. Copies of the Guidelines are available upon request or can be downloaded from the Commission's web site at http://www.bcuc.com/Documents/Guidelines/2010/DOC_5014_G-72-07_PACA_2007_Guidelines.pdf.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of June 2011.

BY ORDER

Original signed by:

A. Rhodes
Commissioner

Attachments

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INITIAL REGULATORY TIMETABLE

ACTION	DATE (2011)
Registration Deadline for Interveners and Interested Parties	Wednesday, July 20
Workshop	Friday, July 22
Commission and Intervener Information Requests (IR) No. 1 to FortisBC	Wednesday, August 10
Participant Assistance Budget Submission	Wednesday, August 31
FortisBC Response to Commission and Intervener IR No. 1	Friday, September 9
BCUC and Intervener IR No. 2 to FortisBC	Friday, September 30
FortisBC Response to Commission and Intervener IR No. 2	Friday, October 21
2011 Annual Review	To be Determined
Procedural Conference	To be Determined
Load Forecast Technical Committee Report filed	Friday, October 28
Procedural Order and Approval of Interim Rates Effective January 1, 2012	Tuesday, November 1



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NOTICE OF APPLICATION AND WORKSHOP

Date:	Friday, July 22, 2011
Time:	9:00 a.m.
Location:	Holiday Inn Express 2429 N. Highway 97 Kelowna, BC

THE APPLICATION

On June 30, 2011, FortisBC Inc. (FortisBC or the Company) filed its 2012 – 2013 Revenue Requirements, which includes the 2012 -2013 Capital Expenditure Plan, and its 2012 Integrated System Plan (collectively, the Application) with the British Columbia Utilities Commission (Commission).

The Company is seeking approval, among other things, of rate increases of 4.0 percent effective January 1, 2012, and 6.9 percent effective January 1, 2013. The Company states that the rate increases are required due to the need for ongoing investment in electrical infrastructure and increasing power purchases driven by customer growth. The Application outlines capital expenditures of \$106 million in 2012 and \$129 million in 2013.

The 2012 Integrated System Plan outlines FortisBC's medium term and long term strategies for meeting its customers' energy needs. The Integrated System Plan includes:

- 2012 Long Term Capital Expenditure Plan, outlining expected capital projects to sustain and upgrade the Company's generation, transmission, distribution, and other assets;
- 2012 Resource Plan, which examines FortisBC's electricity requirements and the potential generation resource options available to meet these forecast requirements;
- 2012 Long Term Demand Side Management Plan, which describes the Company's plans to offset future load growth through energy efficiency and conservation measures.

THE REGULATORY PROCESS

The Commission has issued an Initial Regulatory Timetable for a public review of the Application. A Workshop will be held at the Holiday Inn Express, in the City of Kelowna, in the morning of Friday, July 22, 2011 to review the Application.

PUBLIC INSPECTION OF THE APPLICATION

The Application is available for inspection at the following locations:

FortisBC Inc. Suite 100 - 1975 Springfield Road Kelowna, BC V1Y 7V7 Telephone: 1-866-436-7847	BC Utilities Commission Sixth Floor, 900 Howe Street Vancouver, BC V6Z 2N3 Telephone: 604-660-4700
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The Application is also available for viewing on the following websites:

<http://www.fortisbc.com>

<http://www.bcuc.com>

REGISTERING TO PARTICIPATE

Persons who expect to actively participate in the review process or processes should register as Interveners with the Commission. Interveners will receive copies of the Application, all correspondence and filed documents. Those not expecting to actively participate should register with the Commission as Interested Parties and will receive a copy of the Application's summary and the Commission's Decision when issued.

Interveners and Interested Parties should inform the Commission Secretary, in writing, by Wednesday, July 20, 2011 of their intention to become Interveners or Interested Parties, and their intention to attend the Workshop.

All submissions and/or correspondence received from active participants or the public relating to the Application will be placed on the public record and posted to the Commission's website.

PARTICIPANT ASSISTANCE/COST AWARDS

Any party intending to apply for a Participant Assistance/Cost Award is advised to review the Commission's Guidelines with respect to the requirements for eligibility. The Participant Assistance/Cost Award Guidelines may be obtained by writing to the Commission Secretary, or online at http://www.bcuc.com/Documents/Guidelines/2010/DOC_5014_G-72-07_PACA_2007_Guidelines.pdf

FURTHER INFORMATION

For further information, please contact Ms. Alanna Gillis, Acting Commission Secretary as follows:

Telephone: (604) 660-4700 Facsimile: (604) 660-1102	Email: Commission.Secretary@bcuc.com BC Toll Free: 1-800-663-1385
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