BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER F-9-11

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application for a Participant Assistance/Cost Award
regarding the FortisBC Inc.
2010 Annual Review, 2011 Revenue Requirements and
Negotiated Settlement Process

BEFORE: L.F. Kelsey, Commissioner
D.A. Cote, Commissioner
N.E. MacMurchy, Commissioner
D. Morton, Commissioner

February 3, 2011

O R D E R

WHEREAS:

A. British Columbia Utilities Commission (Commission) Order G-58-06 approved for FortisBC Inc. (FortisBC or Company) a Settlement Agreement for its 2006 Revenue Requirements (the 2006 Settlement Agreement) and a Performance Based Regulation Settlement for the years 2007, 2008 and potentially 2009 (the PBR Settlement). The PBR Settlement requires FortisBC to hold an Annual Review, Workshop and Negotiated Settlement Process (NSP) each November with a goal of achieving firm rates by December 1 for the following year;

B. The 2010 Annual Review and the 2011 Revenue Requirements were reviewed through a workshop and negotiated settlement process, which was held in Kelowna, BC on November 16 and 17, 2010, respectively;

C. On December 14, 2010, the Commission issued Order G-184-10 approving the Negotiated Settlement Agreement;

D. By letter dated January 11, 2011, Zellstoff Celgar Limited Partnership (Celgar) applied for a Participant Assistance/Cost Award (PACA) funding with respect to its participation in the FortisBC Annual Review and 2011 Revenue Requirements negotiated settlement process;

E. By letter dated January 28, 2011, FortisBC advised the Commission that it had no comment with respect to Celgar's cost award application;

F. The Commission has reviewed the PACA application with regard to the criteria and rates set out in the PACA Guidelines in Commission Order G-72-07.

NOW THEREFORE pursuant to section 118(1) of the *Utilities Commission Act*, the Commission denies Celgar's application for a cost award. The Commission's Reasons for Decision are attached as Appendix A to this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 3rd day of February 2011.

BY ORDER

Original signed by:

D.A. Cote
Commissioner

Attachment

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regarding the FortisBC Inc.
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REASONS FOR DECISION

1.0 BACKGROUND

On October 15, 2010, Zellstoff Celgar Limited Partnership (Celgar) submitted a Participant Assistance/Cost Awards (PACA) budget to the British Columbia Utilities Commission (Commission) for its participation in the FortisBC 2011 Revenue Requirement Application and Negotiated Settlement Process.

Commission staff responded to Celgar on November 4, 2010 with a letter warning of the potential risk for non-recovery of the budgeted expenditures. In this letter, staff interpreted the criteria in the PACA Guidelines (Appendix A to Order G-72-07) to mean that it does not normally fund individuals, individual business interest or municipalities, except under unusual circumstances.

Celgar is viewed by Commission staff to have the ability to engage as a participant in this proceeding without an award.

2.0 PACA APPLICATION

On January 11, 2011, Celgar submitted a PACA request to the Commission pertaining to the above proceeding with actual expenses incurred substantially exceeding their original budget, as summarized in the table below:

	Days (assume 8 hrs/ day)	**Rate**	**Fees**	**Expenses & HST**	**Total**
Budget:					
Case Manager	4	500.00	2,000.00	0	2,000.00
Consultant	4	1,450.00	5,800.00	0	5,800.00
					$7,800.00
Actual:					
Case Manager	8.625	1,040.00	8,970.00	1,811.43	10,781.43
Consultant	5	1,200.00	6,000.00	720.00	6,720.00
					$17,501.43

However, Celgar claims an award in the amount of $7,800 (consistent with their original budget of October 15, 2010) *plus* travel and accommodations of $735.03, for a total of $8,535.03.

On January 19, 2011, Commission staff sought comments from FortisBC pertaining to this PACA request. FortisBC responded on January 28, 2011 with no comments.

3.0 COMMISSION DECISION

Pursuant to Section 1 of the PACA Guidelines, it is expected that only *ratepayer groups* will establish a "substantial interest in a substantial issue" in a revenue requirements proceeding. The Commission accepts that while Celgar is a ratepayer in the FortisBC service area, it does not accept that Celgar is as an eligible *ratepayer group* as defined in the Commission's PACA Guidelines. Celgar did not join with other participants with similar interests to establish an eligible ratepayer group and also to reduce costs.

The Commission notes that Section 1 of the PACA Guidelines states that participants other than ratepayer groups may be eligible for funding in other proceedings such as rate design and resource plan. For this reason, Celgar received an adjusted PACA funding for its participation in the FortisBC 2009 Rate Design and Cost of Service proceeding, pursuant to Order F-31-10. However, the current proceeding concerns revenue requirements and accordingly Celgar is ineligible for PACA funding except in limited circumstances.

The Commission is not persuaded there are circumstances which would justify supporting the eligibility of Celgar for PACA funding in this proceeding.

Furthermore, the Commission is of the view that Celgar has the capability to proceed as a participant in this proceeding without a cost award.

Pursuant to the reasons established above, the Commission denies Celgar's PACA request for $7,800 plus disbursements for travel and accommodations of $735.03. Celgar is encouraged to join other parties of similar interests to form an eligible ratepayer group in future proceedings.