

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-24-11**

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

and

**FortisBC Inc.
2009 Rate Design Application and Cost of Service Study
Compliance Filing Pursuant to Commission Order G-156-10**

BEFORE: A.J. Pullman, Panel Chair/Commissioner
 L.A. O'Hara, Commissioner
 M.R. Harle, Commissioner

February 22, 2011

O R D E R

WHEREAS:

- A. On October 30, 2009, FortisBC Inc. (FortisBC) filed its 2009 Rate Design and Cost of Service Application (Application) for approval by the British Columbia Utilities Commission (the Commission);
- B. During the period November 23, 2009 and September 7, 2010, the Commission Proceeding occurred, including an Oral Hearing and Oral Phase of Argument;
- C. On October 19, 2010, the Commission issued its Decision on the Application by Order G-156-10 which contained 13 Directives. Directive 3 of Order G-156-10 directed FortisBC to re-run and submit the Cost of Service Analysis (COSA) with all the adjustments described in the Reasons for Decision within 30 days of the Order. Directives 4, 6 and 7 of Order G-156-10 directed FortisBC to submit a Compliance Filing containing certain information within 60 days of the Order;
- D. On November 19, 2010 FortisBC filed its revised COSA and on December 17, 2010, the Commission issued Order G-196-10 approving the revised COSA;
- E. On December 17, 2010, FortisBC submitted its Compliance Filing containing information required by Directives 4, 6 and 7 of Order G-156-10. Directive 4 of Order G-156-10 required FortisBC to submit a final set of rates based on the revised COSA. In the Compliance Filing, FortisBC requests approval of only the structural elements of the rates because the final rates will reflect the 2011 Revenue Requirements and will be implemented on June 1, 2011. FortisBC also requests approval of the creation of 3 rate-base deferral accounts to collect the costs associated with Directives in Order G-156-10;

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- F. The Commission has reviewed the Compliance Filing and acknowledges that by submission of the revised COSA, the Compliance Filing and the planned filing of a Residential Inclining Block Rate by March 31, 2011, FortisBC has fulfilled the compliance reporting requirements of Order G-156-10.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves the structural elements of the rates as submitted in Appendix A of the Compliance Filing. FortisBC is further ordered to submit final rates for approval prior to implementation of the rates on June 1, 2011.
2. The Commission approves the creation of three rate base deferral accounts to accumulate costs related to:
 - i) the Residential Inclining Block Rate and Industrial Stepped Rate applications;
 - ii) Irrigation Ratepayer Group consultation and load research;
 - iii) the implementation of new rate structures on June 1, 2011.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of February 2011.

BY ORDER

Original signed by:

A.J. Pullman
Commissioner