



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-178-12

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
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TELEPHONE: (604) 660-4700
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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 a Certificate of Public Convenience and Necessity
for the Purchase of Utility Assets of the City of Kelowna**

BEFORE: D.M. Morton, Commissioner
B.A. Magnan, Commissioner
A.A. Rhodes, Commissioner

November 27, 2012

O R D E R

WHEREAS:

- A. On November 13, 2012, FortisBC Inc. (FBC) applied to the British Columbia Utilities Commission (Commission), pursuant to sections 45 and 46 of the *Utilities Commission Act* (Act), for a Certificate of Public Convenience and Necessity (CPCN) for an extension to FBC's distribution system resulting from its purchase of the electricity distribution assets of the City of Kelowna (City);
- B. FBC also applied pursuant to sections 59 and 60 of the Act to include the impact of the electricity distribution asset purchase in FBC's revenue requirements;
- C. FBC and the City have negotiated the City of Kelowna Asset Purchase Agreement (Asset Purchase Agreement) which transfers ownership of the Municipally-owned electricity distribution utility assets from the City to FBC for a purchase price of \$55 million plus applicable taxes and adjustments;
- D. If the Application is approved, approximately 15,000 residential, commercial, industrial and institutional customers in central Kelowna who currently receive service under the City's Bylaw 7639 will become customers of FBC and will be billed under FBC's Electric Tariff No. 2;
- E. Section 28(4) of the City's Community Charter requires that the sale of the City's electrical utility assets be approved by the citizens of the City who are eligible to vote in City elections. On October 29, 2012, the City Council received electoral assent for the City to proceed with the Asset Purchase Agreement;
- F. FBC has proposed that the Application be reviewed through a Streamlined Review Process as described in Order G-37-12;

G. The Commission has reviewed the Application, including FBC's request for a Streamlined Review Process, and has determined that the Application should be reviewed as follows:

- One round of Information Requests from the Commission and Interveners;
- Subject to the comments of Interveners, a one-day Streamlined Review Process Hearing to be held in Kelowna.

NOW THEREFORE pursuant to sections 45-46 and 59-60 of the Act the Commission orders as follows:

1. The Application review will tentatively proceed by way of a Streamlined Review Process. The Streamlined Review Process methodology is set out in the Commission's "Streamlined Review Process – Policy, Guidelines and Procedures" document, which is available on the Commission's website under Guidelines and Resources - Guidelines.
2. The oral Streamlined Review Process hearing is to take place in Kelowna on Tuesday, February 5, 2013.
3. The Regulatory Timetable is attached to Appendix A of this Order.
4. FBC shall publish the Public Notice of the Streamlined Review Process, attached as Appendix B to this Order, in such local and community newspapers to provide reasonable notice to customers in the proposed general service area and surrounding communities.
5. Persons who wish to participate in the hearing as Interveners or Interested Parties should register with the Commission via written or electronic submission by Friday, December 7, 2012. Parties should also, at the time of registration, provide comment on the Commission's proposal to review the Application by way of a Streamlined Review Process.
6. Interveners intending to apply for Participant Assistance must submit a budget estimate by Tuesday, December 18, 2012. Participant Assistance applications should be consistent with the Commission's Participant Assistance/Cost Award Guidelines and Order G-72-07. Copies of the Guidelines are available upon request or can be downloaded from the Commission's website 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 27th day of November 2012.

BY ORDER

Original signed by:

D.M. Morton

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Commissioner

FORTISBC INC.

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REGULATORY TIMETABLE	
ACTION	DATE (2012)
Intervener/Interested Party Registration	Friday, December 7
Commission Information Request No. 1	Friday, December 14
Participant Assistance Budget Submission	Tuesday, December 18
Intervener Information Request No. 1	Friday, December 21
	DATE (2013)
FBC Response to Commission and Intervener Information Request No. 1	Friday, January 11
Tentative Streamlined Review Oral Proceeding in Kelowna including Oral Final and Reply Submissions	Tuesday, February 5



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FORTISBC INC.

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PUBLIC NOTICE
STREAMLINED REVIEW PROCESS

THE APPLICATION

On November 13, 2012, FortisBC Inc. (FortisBC) applied to the British Columbia Utilities Commission (Commission) for a Certificate of Public Convenience and Necessity (CPCN) to purchase the City of Kelowna's (City) electricity distribution assets, and for approval to include the impact of the asset purchase in its revenue requirements (Application).

The Application involves the purchase of the electrical utility assets from the City for a negotiated purchase price of \$55.0 million plus applicable taxes and adjustments. If approved by the Commission, approximately 15,000 residential, commercial, industrial and institutional customers in central Kelowna, who currently receive service under the City's Bylaw 7639, will become customers of FortisBC and will be billed under FortisBC's Electric Tariff No. 2.

THE REGULATORY PROCESS

Commission Order G-178-12 establishes a Regulatory Timetable for the review of the Application and has tentatively scheduled a Streamlined Review Process. A Streamlined Review Oral Hearing will be held in Kelowna on Tuesday, February 5, 2013.

The detailed Regulatory Timetable can be reviewed on the Commission's website at www.bcuc.com under Current Applications.

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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This Application is also available for viewing on the following websites:

www.bcuc.com

www.fortisbc.com

REGISTERING TO PARTICIPATE

Persons who wish to actively participate in this proceeding should register as Interveners with the Commission in writing by Friday, December 7, 2012 and state the nature of their interest in the Application. Interveners will receive a copy of the Application, all correspondence and filed documents. An email address should be provided if available.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as Interested Parties with the Commission in writing, by Friday, December 7, 2012 and identify their interest in the Application. Interested Parties will receive an Executive Summary of the Application and a copy of the Commission's Decision when issued.

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 online at http://www.bcuc.com/Documents/Guidelines/2010/DOC_5014_G-72-07_PACA_2007_Guidelines.pdf or by writing to the Commission Secretary.

FURTHER INFORMATION

For further information, please contact Erica Hamilton, Commission Secretary as follows:

Telephone: (604) 660-4700
Facsimile: (604) 660-1102

Email: Commission.Secretary@bcuc.com
BC Toll Free: 1-800-663-1385