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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-125-13**

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

and

**the British Columbia Hydro and Power Authority
Application for Approval of Rates between
BC Hydro and FortisBC Inc. with regards to Rate Schedule 3808,
Tariff Supplement No. 3 – Power Purchase and Associated Agreements,
and Tariff Supplement No. 2 to Rate Schedule 3817**

BEFORE: L.A. O'Hara, Panel Chair/Commissioner
B.A. Magnan, Commissioner August 16, 2013
R.D. Revel, Commissioner

O R D E R

WHEREAS:

- A. The British Columbia Hydro and Power Authority (BC Hydro) has supplied electricity to FortisBC Inc. (FortisBC) for 20 years to meet a portion of FortisBC's load service obligations, pursuant to a Power Purchase Agreement dated October 1, 1993 (1993 PPA), at rates established by the British Columbia Utilities Commission (Commission) and set out in BC Hydro Rate Schedule (RS) 3808;
- B. The 1993 PPA expires on September 30, 2013, pursuant to Commission Orders G-27-93 and G-85-93;
- C. On May 24, 2013, BC Hydro filed an application with the Commission requesting approval of four new agreements between BC Hydro and FortisBC to replace the expiring 1993 PPA, pursuant to sections 58 to 61 of the *Utilities Commission Act* (Application);
- D. The four new agreements, each dated May 21, 2013, include: a Power Purchase Agreement (new PPA), an Imbalance Agreement, an Energy Export Agreement and a Master Accounting Agreement;
- E. By Order G-87-13, dated May 28, 2013, the Commission established an Initial Regulatory Timetable, which included two Workshops, one round of Information Requests (IRs) and a Procedural Conference;
- F. On July 16, 2013, BC Hydro filed the Amended and Restated Wheeling Agreement and the Amended RS 3817, which was required to align with the new PPA and Associated Agreements. This was followed by the filing of the final executed version on July 26, 2013;

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- G. The Procedural Conference held on July 29, 2013, was attended by BC Hydro and the following Interveners: FortisBC, British Columbia Pensioners and Seniors Organization *et al*, B.C. Sustainable Energy Association and Sierra Club of British Columbia (BCSEA), Commercial Energy Consumers' Association of British Columbia (CEC), British Columbia Municipal Electrical Utilities, Zellstoff Celgar Limited Partnership (Celgar), Industrial Customers Group, VanPort Sterilizers Inc., and Mr. Alan Wait;
- H. By Order G-117-13, dated August 1, 2013, the Commission defined the scope of the proceeding, ordered that the Application be heard by way of a written proceeding as established in the Regulatory Timetable set out in Appendix A to the Order and outlined a process for resolution of certain outstanding unanswered IRs;
- I. By letters dated August 7, 8 and 9, 2013, BC Hydro, CEC and Celgar resolved their outstanding IRs (Exhibit C11-4, Exhibit B-7, Exhibit B-8);
- J. On August 9, 2013, Celgar requested that the Commission Panel direct FortisBC to file the record of the three proceedings (Related Proceedings) identified in outstanding IR Series 3.2 (Exhibit C5-5);
- K. By letter dated August 12, 2013, the Commission requested comments on Celgar's request. Comments were provided by FortisBC (Exhibit C1-13), BCSEA (Exhibit C7-3), BC Hydro (Exhibit B-9), Alan Wait (Exhibit C6-4) and Vanport Sterilizers (Exhibit C10-3 with most parties opposing the requested order;
- L. By letter dated August 12, 2013, Celgar requested a one-week extension to file its final submissions, from September 20, 2013 to September 27, 2013;

NOW THEREFORE, for the attached Reasons for Decision, the British Columbia Utilities Commission orders as follows:

1. Zellstoff Celgar Limited Partnership's (Celgar) request for responses to the three parts of Celgar IR 1.3.2 regarding filing the records of the related proceedings is rejected.
2. Parties are to provide comments on the requested extension for the filing dates of Intervener Final Submissions by Wednesday August 21, 2013.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of August, 2013

BY ORDER

Original signed by

L.A. O'Hara
Commissioner

An Application by the British Columbia Hydro and Power Authority

Application for Approval of Rates between
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REASONS FOR DECISION

CELGAR'S REQUEST

In its letter dated August 9, 2013, Zellstoff Celgar Limited Partnership (Celgar) requests that the Commission Panel direct FortisBC Inc. (FortisBC) to file the record of the three proceedings identified in outstanding Information Requests (IRs) Series 3.2, namely Order G-202-12, Order G-68-13 and Order G-85-13, in this proceeding. The three proceedings are as follows:

- G-202-12 – Guidelines for Establishing Entitlement to Non-PPA Embedded Cost Power and Matching Methodology;
- G-68-13 – Phase 2 of the FortisBC Application for Approval of Purchase of the Utility Assets of the City of Kelowna; and
- G-85-13 – FortisBC Application for Approval of Stepped and Standby Rates for Transmission Customers.

By way of a justification, Celgar submits that the Related Proceedings consider issues that are within the scope of this proceeding as defined by the scoping directions in Order G-117-13 (Exhibit C5-5).

RESPONSES RECEIVED

FortisBC Submission

FortisBC reiterates its answer to Celgar's IR 1.3.2 filed as Exhibit C1-7, which stated that FortisBC "does not believe that any of these proceedings are within the scope of this proceeding" (Exhibit C1-7, Celgar IR 1.3.2, p.3). FortisBC further submits that each of the listed applications are separate and distinct regulatory processes with different sets of interveners and that those processes are the correct ones to deal with the issues in each of the listed applications.

FortisBC also notes that it is not unusual for the subject matter of different proceedings before the Commission to overlap. Finally, FortisBC states that if Celgar believes that Order G-202-12 is relevant, Celgar can refer to it in its final written submissions on this proceeding without any need for the evidentiary records from other proceedings to be incorporated. (Exhibit C1-13)

BCSEA Submission

The BC Sustainable Energy Association and Sierra Club of British Columbia (BCSEA) opposes Celgar's request for the following reasons:

- Celgar has not attempted to identify what it is about the evidence in the related proceedings that makes them relevant or material to the current proceeding;

- It is not even clear that FortisBC is in a position to file in this proceeding the entire evidentiary record of another proceeding as substantial portions of the records are not its own evidence; and
- Celgar's request is overly broad and raises significant concerns about regulatory efficiency.

BC Hydro Submission

The British Columbia Hydro and Power Authority agrees with the submissions of FortisBC and BCSEA, and for those same reasons it opposes the direction Celgar has requested. (Exhibit B-9)

Alan Wait Submission

Mr. Alan Wait states the current proceeding is not the place to settle the Celgar self-generation concerns. Accordingly, he submits that in the interest of dealing efficiently with the case at hand the Commission should not require FortisBC to file the records of the three other proceedings. (Exhibit C6-4)

Vanport Sterilizers Inc. Submission

Vanport Sterilizers submits that the evidentiary records requested by Celgar should be considered to be within the scope of this proceeding.

Celgar Reply

Celgar did not provide any reply.

Commission Determination

The Commission Panel rejects Celgar's request asking FortisBC to respond to the three parts of Celgar IR 1.3.2 regarding filing the records of the Related Proceedings. In making this determination, the Panel adopts the submissions of FortisBC and BCSEA. In particular, the Panel notes that the British Columbia Utilities Commission has set up three separate processes, each with a different focus, which examine certain issues at the level of detail deemed to be appropriate to the particular mandate of the Panels in each case. Furthermore, due to the nature of the Commission's oversight, a certain overlap of issues is fairly common. Parties are at liberty to refer to the other proceedings in the Final Submissions even if the entire record was not formally incorporated as a part of the record of this proceeding.