

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-44-13**



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

and

**An Application by FortisBC Energy (Vancouver Island) Inc. for
Approval of the Rate Treatment of Vehicle Grants
under the Greenhouse Gas Reductions (Clean Energy) Regulation**

BEFORE: L.F. Kelsey, Commissioner

March 20, 2013

O R D E R

WHEREAS:

- A. On May 14, 2012, the Lieutenant Governor in Council approved the Greenhouse Gas Reduction (Clean Energy) Regulation, B.C. Reg.102/2012 (the GGRR);
- B. On October 29, 2012, by Order G-161-12 the British Columbia Utilities Commission (Commission) approved deferral accounting and rate treatment methodology for three prescribed undertakings established by the GGRR for FortisBC Energy Inc. (FEI);
- C. On February 6, 2013, FortisBC Energy (Vancouver Island) Inc. (FEVI) applied for approval of the same regulatory accounting and rate treatment methodology for vehicle grants and related expenditures as set out in section 2(1) of the GGRR as approved for FEI in Order G-161-12 (Application);
- D. FEVI indicates that the established expenditures limits under each Prescribed Undertaking of the GGRR will be applied to the FortisBC Energy Utilities (FEU, comprised of FortisBC Energy Inc, FortisBC Energy (Vancouver Island) Inc., and FortisBC Energy (Whistler Inc.) as a whole. In other words, the expenditures on vehicles grants and related expenditures will be limited to \$62 million in total for FEU);
- E. By letter dated March 7, 2013, the Commission provided an opportunity for the registered interveners in the preceding FEI GGRR proceeding to submit their comments on this Application;
- F. Only one Intervener, the BC Sustainable Energy Association (BCSEA), provided comments to the Commission by the requested date. The BCSEA support the Application and the accounting treatment proposed by FEVI;

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- G. The Commission has reviewed the Application and the Intervener comments and concludes that the Application should be approved.

NOW THEREFORE the Commission orders as follows:

1. A non-rate base deferral account (the NGT Incentives Account) for FEVI attracting AFUDC to capture all grants and costs, including the costs of this Application, related to the Prescribed Undertaking established under section 2(1) of the GGRR for the period until December 31, 2013. This NGT Incentives Account is to be transferred to rate base, effective January 1, 2014, will continue to capture the actual incentives granted by year for 2014 onward and will be amortized over a 10 year period into the delivery rate of all non-bypass natural gas customers.
2. To provide certainty to grant recipients and FEVI under the GGRR the cost recovery from non-bypass natural gas customers of the NGT Incentives Account is fixed. The method of recovering the costs from non-bypass natural gas customers such as the use of deferral accounts and amortization period may be reviewed by the Commission as required.

DATED at the City of Vancouver, in the Province of British Columbia, this 20th day of March 2013.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner