



LETTER L-67-13

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VIA EMAIL

dwcraig@allstream.net

November 20, 2013

Mr. David Craig
Executive Director
Commercial Energy Consumers of BC
720 - 1190 Melville Street
Vancouver, BC V6E 2S1

Dear Mr. Craig:

Re: FortisBC Energy Inc. and FortisBC Inc.
Order G-150-13/Order G-151-13
Applications for Approval of a Multi-Year Performance
Based Ratemaking Plan for 2014 through 2018
Participant Funding Request

On November 12, 2013, the British Columbia Utilities Commission (Commission) received a request from the Commercial Energy Consumers Association of British Columbia (CEC), pursuant to section 3 (see below) of Appendix A to Order G-72-07, for interim participant assistance for the retention of research expertise to explore alternatives (a) to the Performance Based Ratemaking (PBR) methodology altogether and (b) with regard to the PBR methodology proposed.

Section 3 of the Participant Assistance Cost Award (PACA) Guidelines - covering Interim Awards states:

"In exceptional circumstances, the Commission Panel may approve the costs of retaining a consultant, Expert Witness/Specialist, or lawyer by a Participant under an accelerated approval process. If an accelerated approval process is approved, one of the following reimbursement alternatives may be ordered.

- (a) reimbursement of a consultant's, Expert Witness/Specialist's, or lawyer's approved invoice, or a portion thereof, that has been received after the regulatory proceeding has begun, but may be before the proceeding has concluded; or
- (b) advance payment(s) not to exceed fifty percent of the higher of the amount actually paid by the Participant and the Budget Estimate net of those items that may not be funded as per the advice from Commission staff pursuant to Section 2.

In the case of 3(b) above, the Participant would also be required to file an application under Section 2 at the conclusion of the hearing, and the approved award, net of the advance payments, would be payable as per Section 2."

Your letter states that the CEC is requesting approval of interim participant funding as a result of significant issues that have arisen in this proceeding, which will require the resources of expert consultants to address. The CEC states that the “Without the interim participant funding award, the CEC will not be able to provide this evidence.” In its letter of October 17, 2013, the Commission determined that an interim cost award is appropriate in this instance. The Commission also stated that it was not prepared to preapprove amounts requested by CEC for Pacific Economics Group (PEG) until the proceeding has been completed and the Commission Panel has had an opportunity to assess the level of contribution of the participant. In the same letter, the Commission provided reassurance to CEC as to the engagement of PEG for this proceeding.

The Commission remains unprepared to fetter its discretion as to approval of these costs until it has had the opportunity to assess the participant’s contribution to the proceeding. Further, the Commission accepts that the CEC may have limited funds but notes that the CEC represents commercial enterprises that have the ability to pay.

Therefore, in keeping with the PACA Guidelines and the determination in the letter of October 17, 2013, the Commission Panel will consider the following:

- Under 3 (a) the reimbursement of PEG’s approved invoice for the “Challenge of the B&V Evidence.”
- Under 3 (b) advance payments of fifty percent for “Productivity Studies and Inflation” and “Information Requests and Testimony” parts of the PEG evidence.

In accordance with the PACA Guidelines, the Participant is required to file an application under Section 2 at the conclusion of the hearing with an approved award net of any advance payments payable following review.

Yours truly,

Erica Hamilton

SS/dg