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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER R-7-13**

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

and

**FortisBC Inc.
Confirmation of Alleged Violation of Mandatory Reliability Standard
PRC-017-0 Requirement 2 – Violation ID: BCUC201200362**

BEFORE: D.M. Morton, Commissioner February 25, 2013

O R D E R

WHEREAS:

- A. Order G-123-09 approved the Compliance Monitoring Program (CMP) which provides a process for dealing with violations to Mandatory Reliability Standards (MRS) adopted by the British Columbia Utilities Commission (Commission);
- B. On October 3, 2012, the Western Electricity Coordinating Council (WECC), acting as the Commission's MRS Administrator, issued a Notice of Alleged Violation (NOAV) to FortisBC Inc. (FortisBC) for Violation of the Reliability Standard listed above. The NOAV described the nature of the violation and provided an assessment of the severity of the violation;
- C. On October 3, 2012, WECC also advised FortisBC of its rights under Section 4.2 of the CMP, pursuant to which FortisBC has 30 days to respond to the NOAV. The CMP also states if FortisBC fails to respond within 30 days, the Commission may consider the Alleged Violations in the absence of a submission;
- D. In a letter dated October 31, 2012, FortisBC accepted that there was a violation of PRC-017-OR2, but contested some of the information contained within the Facts and Evidence of the Act or Practice Resulting in the Violation as stated in the NOAV, and committed to work with WECC to revise the NOAV within 60 days;
- E. On October 31, 2012, Fortis also objected to the inclusion of the section "Other Relevant Information" in the Revised NOAV, as the contents of that section are the same form of information used in Section 4 of Appendix 4B of the North American Electric Reliability Corporation (NERC) Sanction Guidelines, of the 2012 NERC Compliance Monitoring and Enforcement Program. FortisBC also objected to the reference to the Violation Risk Factor (VRF) matrix and Violation Severity Level (VSL) matrix published by NERC. FortisBC

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stated that neither of these matrices have been adopted nor implemented in BC, and that BC MRS documentation does not include reference to these terms;

- F. On January 14, 2013, WECC issued a Revised NOAV for FortisBC for Violation of the Reliability Standard listed above. The Revised NOAV contained a revised description of the violations and provided an assessment of the severity of the violation;
- G. On January 24, 2013, the Commission sent a letter to FortisBC acknowledging that the NERC VRF and VSL matrices have not been adopted or implemented in BC at this time and that the "Other Relevant Information" section has not been specified as a compulsory component for NOAVs, but at the request of the Commission is included for contextual purposes only;
- H. On February 12, 2013, FortisBC provided the Commission and WECC with a response to the Revised NOAV, accepting the Alleged Violation and confirming they had submitted and completed a Mitigation Plan to address the Alleged Violation. FortisBC also acknowledged receipt of the Commission letter dated January 24, 2013;
- I. The Commission reviewed WECC's recommendation and considers confirmation of the violation is warranted.

NOW THEREFORE pursuant to section 125.2 of the *Utilities Commission Act* and Section 4.1 of the Compliance Monitoring Program, the Commission confirms the Alleged Violation identified above. Given that the NERC VRF and VSL matrices are referenced for contextual purposes only, the Commission confirms that the "Other Relevant information" section of the NOAV has no bearing on whether the Commission confirms the violations and dismisses FortisBC's objection of the inclusion of these pieces.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of February 2013.

BY ORDER

D.M. Morton
Commissioner