



**ORDER NUMBER
G-374-21**

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Inc.
Annual Review for 2022 Rates

BEFORE:

A. K. Fung, QC, Panel Chair
W. M. Everett, QC, Commissioner
T. A. Loski, Commissioner

on December 15, 2021

ORDER

WHEREAS:

- A. On June 22, 2020, the British Columbia Utilities Commission (BCUC) issued its Decision and Orders G-165-20 approving a Multi-Year Rate Plan (MRP) for 2020 through 2024 (2020-2024 MRP Decision) for FortisBC Energy Inc. (FEI) and G-166-20 for FortisBC Inc. (FBC), respectively. In accordance with the 2020-2024 MRP Decision, FBC is directed to undergo an annual review (Annual Review) process to establish its rates during the term of the MRP;
- B. By letter dated July 13, 2021, FBC proposed a regulatory timetable for the Annual Review of its 2022 rates;
- C. By Order G-226-21 dated July 27, 2021, the BCUC established the regulatory timetable for the Annual Review of FBC's 2022 rates, which included FBC filing its Annual Review materials, intervener registration, one round of information requests, a workshop, FBC's response to undertakings at the workshop, and written final and reply arguments;
- D. On August 6, 2021, FBC submitted its materials for the Annual Review for 2022 Rates Application (Application). In the Application, FBC requests a 3.46 percent rates increase over 2021 rates, effective January 1, 2022, among other things;
- E. On October 5, 2021 and October 26, 2021, FBC submitted evidentiary updates and responses to workshop undertakings, respectively, and amended the 2022 revenue requirements with no resulting change to FBC's proposed 2022 rates increase, among other things; and
- F. The BCUC has reviewed the Application, evidence and arguments filed in the proceeding and makes the following determinations.

NOW THEREFORE pursuant to sections 59 to 61 of the *Utilities Commission Act*, for the reasons stated in the decision issued concurrently with this order, the BCUC orders as follows:

1. FBC is approved to increase its rates for 2022 by 3.46 percent on a permanent basis, effective January 1, 2022, subject to any adjustments resulting from the directives and determinations made in the decision issued concurrently with this order.
2. FBC is directed to establish a non-rate base deferral account, to be financed at FBC's weighted average cost of capital, to capture the revenue deficiency resulting from the impact of a future costs of removal error in 2021, which is not already recorded in the Earnings Sharing Deferral Account from August 6, 2021 to December 31, 2021 for recovery, and to amortize that amount in FBC's 2022 rates.
3. FBC is approved to:
 - a. Establish a rate base deferral account for the 2021 Generic Cost of Capital proceeding;
 - b. Amortize the previously approved deferral accounts as follows:
 - i. A one-year amortization period for the 2020 Cost of Service Analysis Deferral Account commencing January 1, 2022;
 - ii. A three-year amortization period for the Mandatory Reliability Standards 2021 Audit Deferral Account commencing January 1, 2022;
 - iii. A three-year amortization period for the 2021 Long-Term Electric Resource Plan Deferral Account commencing January 1, 2022; and
 - iv. A three-year amortization period for the Rate Design and Rates for Electric Vehicle (EV) Direct Current Fast Charging (DCFC) Service Application Deferral Account commencing January 1, 2022.
4. FBC is approved to change the frequency of reporting on the COVID-19 Customer Recovery Fund Deferral Account from monthly to quarterly.
5. FBC is approved Z-factor treatment for the incremental operating and maintenance costs and capital expenditures related to Mandatory Reliability Standards Assessment Report No. 13.
6. FBC is approved Z-factor treatment for the incremental costs related to the Nk'Mip Creek wildfire in 2021.
7. FBC is directed to provide details of any efforts it has undertaken to improve the accuracy of its forecasts of wholesale customer load in the 2023 Annual Review, including the results of such efforts.
8. FBC is directed to include in future Annual Review filings an update on its EV DCFC charging stations costs and revenues for the previous fiscal year, along with a forecast of costs and revenues for the test period.
9. FBC is directed to file with the BCUC as a compliance filing, within 15 days of the issuance of this order, amended tariff pages and finalized financial schedules for 2022, in accordance with the terms of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of December 2021.

BY ORDER

Original signed by:

A. K. Fung, QC
Commissioner