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ORDER NUMBER
G-278-22

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

and

FortisBC Energy Inc.
Application for Common Rates and 2022 Revenue Requirements
for the Fort Nelson Service Area

BEFORE:
A. K. Fung, KC, Panel Chair
E. B. Lockhart, Commissioner
A. Pape-Salmon, Commissioner

on October 6, 2022

ORDER

WHEREAS:

A. On August 12, 2021, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (BCUC), pursuant to sections 59 to 61 of the *Utilities Commission Act*, an application for approval to set the delivery rates and the Revenue Stabilization Adjustment Mechanism (RSAM) rate rider for the Fort Nelson service area (FEFN), effective January 1, 2022 (2022 Delivery Rates), and to implement common delivery rates and cost of gas rates for FEFN with FEI, effective January 1, 2023 (Common Rates) (together, the Application);

B. By Orders G-227-21, G-315-21, G-20-22, G-86-22 and G-150-22, the BCUC established and amended regulatory timetables for the review of the Application, which included one round of BCUC and intervener information requests (IRs) to FEI on 2022 Delivery Rates and Common Rates, written final and reply arguments on 2022 Delivery Rates, a second round of BCUC and intervener IRs to FEI on Common Rates, intervener and FEI rebuttal evidence on Common Rates and corresponding IRs, and written final and reply arguments on Common Rates;

C. By Order G-114-22 dated April 29, 2022, the BCUC issued its decision on the 2022 Delivery Rates component of the Application;

D. By June 30, 2022, FEI and registered interveners filed written final arguments on Common Rates in accordance with the regulatory timetable;

E. By Order G-186-22 dated July 8, 2022, pursuant to Rule 8.08 of the BCUC Rules of Practice and Procedure, the BCUC accepted into the evidentiary record a late letter of comment from BC Stats (BC Stats Letter) with respect to evidence on the record in this proceeding that pertains to correspondence between FEI and a BC Stats representative;

F. By Order G-200-22 dated July 20, 2022, the BCUC established a further regulatory timetable to allow for supplemental arguments and FEI reply regarding the BC Stats Letter; and

G. The BCUC has reviewed the Common Rates component of the Application, evidence and all arguments filed in the proceeding and makes the following determinations.

N**OW THEREFORE** pursuant to sections 59 to 61 of the *Utilities Commission Act*, and for the reasons provided in the decision (Decision) issued concurrently with this order, the BCUC orders as follows:

1. FEI is approved to implement common delivery rates and cost of gas rates for FEFN and FEI, and to set FEFN's midstream rates at 5 percent of FEI's midstream rates, effective January 1, 2023, pursuant to all other directives and determinations contained in the Decision.

2. FEFN is directed to phase in the bill impact for FEFN residential customers of moving to common delivery rates with FEI, over a period of 5 years. To facilitate this phase-in, the Panel approves the following for FEI:

    a. The establishment of a Fort Nelson Residential Customer Common Rate Phase-in Rate Rider, effective January 1, 2023.

    b. The renaming of the existing FEFN 2021 Revenue Surplus deferral account to the FEFN Residential Customer Common Rate Phase-in deferral account. FEI is approved to record the revenue deficiency at January 1, 2023 which results from the phasing in of residential delivery rates over 5 years in the FEFN Residential Customer Common Rate Phase-in deferral account, as an offset against the existing credit balance related to the 2021 FEFN revenue surplus.

    c. The balance of the FEFN Residential Customer Common Rate Phase-in deferral account at January 1, 2023 is to be collected from FEFN residential customers over a period of five years through the Fort Nelson Residential Customer Common Rate Phase-in Rate Rider.

3. FEI is approved to make certain amendments to the FEI tariff, including the proposed FEFN rate schedule mapping to the applicable FEI rate schedules, as described in Section 7.1.5 and as set out in Appendix D of the Application, effective January 1, 2023, subject to the following change:

    a. FEI is directed to update the wording of Rider 4 to specify a "Fort Nelson Residential Customer Common Rate Phase-in" rather than a "Fort Nelson Residential Common Rate Phase-In."

4. FEI is directed to file updated FEI tariff pages with the BCUC reflecting the directives and determinations in the Decision and pursuant to any final orders made by the BCUC in the FEI Annual Review for 2023 Delivery Rates (FEI 2023 Annual Review) proceeding.

5. FEI is directed to propose an amortization period for the FEFN Common Rates and 2022 Revenue Requirement Application Costs deferral account, with rationale, as part of the FEI 2023 Annual Review.

6. FEI is directed to address in the FEI 2023 Annual Review a reconciliation for the transfer of the December 31, 2022 balances of FEFN's accounts to FEI's corresponding accounts in the same categories, as approved in Section 4.5 of the Decision.

7. FEI must comply with all other directives contained in the Decision issued concurrently with this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of October 2022.

BY ORDER

Original signed by:

A. K. Fung, KC
Commissioner