British Columbia Utilities Commission
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ORDER NUMBER
G-12-23

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

and

FortisBC Inc.
Application for Reconsideration and Variance of Decision and Order G-382-22

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

on January 24, 2023

ORDER

WHEREAS:

A. On January 12, 2023, FortisBC Inc. (FBC) filed an application with the British Columbia Utilities Commission (BCUC) for reconsideration and variance of Decision and Order G-382-22, pursuant to section 99 of the *Utilities Commission Act* (UCA) and in accordance with Rule 26.02 of the BCUC's Rules of Practice and Procedure (Reconsideration Application);

B. By Decision and Order G-382-22 dated December 22, 2022, the BCUC issued its decision on the FBC Annual Review for 2023 Rates. The BCUC ordered, among other matters, the following:

   i. A permanent rate increase of 3.98 percent, effective January 1, 2023, subject to the adjustments resulting from the removal of $27.959 million from FBC's 2023 rate base relating to the Corra Linn Spillway Gate Replacement Project (Directive 1);

   ii. The establishment of a rate base deferral account to capture the difference between FBC's 2023 permanent rates and any future rate impact resulting from the BCUC's final determinations on Stage 1 of the BCUC's Generic Cost of Capital proceeding (Directive 2); and

   iii. The filing of finalized financial schedules and updated tariff pages within 30 days of the issuance of Order G-382-22, reflecting the directives and determinations in the decision issued concurrently with that order (Directive 7);

C. FBC requests that Directive 2 of Order G-382-22 be rescinded and Directive 1 of Order G-382-22 be varied, such that FBC is approved to increase its rates for 2023 by 3.98 percent on an interim basis pending the outcome of Stage 1 of the BCUC's Generic Cost of Capital proceeding, effective January 1, 2023, on the grounds that the BCUC has made an error of fact or, in the alternative, that there is otherwise just cause;

D. In the Reconsideration Application, FBC also requests that the BCUC stay or suspend the operation of Directives 1, 2 and 7 of Order G-382-22 pending the resolution of the Reconsideration Application;

E. By letter dated January 18, 2023, the BCUC relieved FBC from the requirement to file, by January 23, 2023, the compliance filing directed by Directive 7 of Order G-382-22, pending the review of the Reconsideration Application;

F. Part V of the BCUC's Rules of Practice and Procedure attached to Order G-178-22 provides the rules for the reconsideration process (Reconsideration Rules); and

G. The BCUC has commenced its review of the Reconsideration Application and considers that the establishment of a written public hearing process and stay of Directives 1, 2 and 7 of Order G-382-22 are warranted, in accordance with the Reconsideration Rules.

NOW THEREFORE the BCUC orders as follows:

1. A written public hearing process is established, in accordance with the regulatory timetable set out in Appendix A of this order.

2. FBC is directed to provide the supplemental information as outlined in Appendix B by the date established in the regulatory timetable attached as Appendix A to this order.

3. Pursuant to Rule 28.02 of the Reconsideration Rules, the BCUC stays the operation of Directives 1, 2 and 7 of Order G-382-22 pending the resolution of this Reconsideration Application.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of January 2023.

BY ORDER

Original signed by:

A. K. Fung, KC
Commissioner

Attachment

FortisBC Inc.
Application for Reconsideration and Variance of Decision and Order G-382-22

REGULATORY TIMETABLE

Action	Date (2023)
FortisBC Inc. (FBC) to File Supplemental Information	Thursday, February 2
Intervener Registration	Thursday, February 2
Intervener Submissions on the Reconsideration Application	Thursday, February 9
FBC Reply to Submissions on the Reconsideration Application	Thursday, February 16

FortisBC Inc.
Application for Reconsideration and Variance of Decision and Order G-382-22

SUPPLEMENTAL INFORMATION TO BE PROVIDED BY FORTISBC INC. (FBC)

1. Please confirm, or explain otherwise, that in Table 1 on page 4 of the Application for Reconsideration and Variance of Decision and Order G-382-22 (Reconsideration Application), the forecast 2023 rate base additions of $13.611 million for the Corra Linn Spillway Gate Replacement Project for the completion of spillway gates 1, 2, and 3 reflect that those gates became used and useful in 2022.
2. Please confirm, or explain otherwise, that in the second row of Table 1 on page 4 of the Reconsideration Application, the impact of the $11.808 million total for Corra Linn Spillway Gate Replacement Project removal costs included in rate base for the years 2018 to 2022 was captured in rates in each of those corresponding years.
3. Please provide the revenue requirements impact, in dollars, for 2023 that would result from the removal of $2.540 million from FBC's 2023 rate base relating to the Corra Linn Spillway Gate Replacement Project close-out costs in 2024.
4. Please explain why the substantial completion of the Corra Linn Spillway Gate Replacement Project is delayed to Q1 2023, and why that delay should impact the remaining project close-out costs of $2.540 million only in 2024.
5. Please provide the cost to FBC to adjust the rates and refund the difference to customers if FBC is directed to implement the change in rates due to a reduction of $2.540 million to 2023 rate base. As part of that response, please discuss whether that cost is material to FBC. Why or why not?
6. Please confirm, or explain otherwise, that the average residential customer refund of approximately 4 cents, as stated on page 5 of the Reconsideration Application, is the average residential customer refund reflecting a one-month[1] difference in rates between the interim rates approved by Order G-349-22 and the rates due to a reduction of $2.540 million to 2023 rate base. If the changes to rates were implemented later (e.g. end of Q1, March 31, 2023), please explain and provide the supporting calculation(s) for the estimated amount of the average residential customer refund under that scenario.

[1] For rates implemented February 1, 2023.