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Utilities Commission

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January 25, 2018

Sent via eFile

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| FORTISBC INC. 2017 COST OF SERVICE ANALYSIS & RATE DESIGN | EXHIBIT A-2 |
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Ms. Diane Roy
Vice President, Regulatory Affairs
FortisBC Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8
electricity.regulatory.affairs@fortisbc.com

**Re: FortisBC Inc. – 2017 Cost of Service Analysis and Rate Design Application – Project No. 1598939 –
Regulatory Timetable and Public Notice**

Dear Ms. Roy:

Further to your December 22, 2017 Cost of Service Analysis and Rate Design Application, enclosed please find Commission Order G-23-18 establishing a regulatory timetable and public notice.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

/ad



ORDER NUMBER
G-23-18

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

and

FortisBC Inc.
2017 Cost of Service Analysis and Rate Design Application

BEFORE:

D. A. Cote, Panel Chair/Commissioner
D. M. Morton, Commissioner
R. I. Mason, Commissioner

on January 25, 2018

ORDER

WHEREAS:

- A. On December 22, 2017, FortisBC Inc. (FBC) filed an application with the British Columbia Utilities Commission (Commission) seeking approvals, pursuant to sections 58 to 61 of the *Utilities Commission Act* (UCA), to adjust its rate design and terms and conditions of service (Application);
- B. Pages 11–13 of the Application outline the approvals sought by FBC. Among other things, FBC seeks approval to:
 - Decrease the differential between the Tier 1 and Tier 2 price for the Residential Rate Schedule (RS) 1 such that after a period of five years the differential between the Tier 1 and Tier 2 price will be zero, resulting in a flat rate;
 - Revise the optional Time of Use (TOU) rates, including re-opening the optional TOU rate to all Residential customers;
 - Increase the monthly Customer Charges with a corresponding decrease in energy rates (i.e. revenue neutral changes) for the Commercial and Irrigation rate schedules; and
 - Flatten the RS 21 energy rate for all consumption to replace the current declining block rate structure;
- C. Prior to filing the Application, FBC conducted a stakeholder engagement process consisting of information sessions, stakeholder workshops and outreach to specific customer groups with respect to items applicable to that customer group, as well as providing opportunities for online feedback; and
- D. The Commission has commenced review of the Application and considers that a public hearing process for the review of the Application is warranted and that a regulatory timetable should be established.

NOW THEREFORE the Commission orders as follows:

1. A preliminary regulatory timetable for the review of the Application is established, as set out in Appendix A to this order.
2. FBC is directed to hold public information sessions to inform its residential customers of the proposals outlined in the Application regarding residential rates, in accordance with the regulatory timetable attached as Appendix A.
3. Interveners who wish to participate in the regulatory proceeding are to register with the Commission by completing a Request to Intervene Form, available on the Commission's website at <http://www.bcuc.com/forms/request-to-intervene.aspx>, by the date established in the preliminary regulatory timetable attached as Appendix A to this order. Those requesting intervener status are to specifically state the nature of their interest in the Application and identify the issues that they intend to pursue and the extent of their anticipated involvement in the proceeding.
4. A procedural conference will be held at 1:00pm on Tuesday, March 6, 2018, at the Best Western Plus 2402 Highway 97, Kelowna, BC. At the procedural conference, the Commission will hear from the applicant and registered interveners on the appropriate regulatory process.
5. As soon as reasonably possible, FBC is to publish the Application, this order and the regulatory timetable on its website and to provide a copy of the Application and this order to:
 - a. All invitees and attendees of the information sessions and stakeholder engagement process; and
 - b. Registered interveners in the FBC Annual Review for 2018 Rates proceeding.

The Application, together with any supporting materials, is also to be made available for inspection at the FBC Office, Suite 100, 1975 Springfield Road, Kelowna, BC V1Y 7V7.

6. FBC is to publish in display-ad format, as soon as reasonably possible but no later than Tuesday February 6, 2018, the Notice of Application attached as Appendix B to this order, in such local newspapers as to provide adequate notice to those parties who may have an interest in or be affected by the Application.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of January 2018.

BY ORDER

Original signed by:

D. A. Cote
Commissioner

Attachment

FortisBC Inc.
2017 Cost of Service Analysis and Rate Design Application

REGULATORY TIMETABLE

| Action | Date (2018) |
|---|---|
| Kelowna Information Session on Residential Rate Proposal The Best Western Plus – 2402 Highway 97, Kelowna, BC | Tuesday, February 13 Commencing at 6:00 pm |
| Castlegar Information Session on Residential Rate Proposals The Sandman Hotel – 1944 Columbia Ave, Castlegar, BC | Friday, February 16 Commencing at 6:00 pm |
| Intervener Registration | Friday, February 23 |
| Procedural Conference in Kelowna The Best Western Plus – 2402 Highway 97, Kelowna, BC | Tuesday, March 6 Commencing at 1:00 pm |
| Commission and Intervener Information Request (IR) No. 1 | Thursday, March 29 |
| FBC Response to Commission and Intervener IR No. 1 | Tuesday, April 24 |
| Further Process | To Be Determined |



PUBLIC NOTICE

FortisBC Inc. 2017 Cost of Service Analysis and Rate Design Application

The Commission is initiating a public hearing regarding the FortisBC Inc. (FBC) 2017 Cost of Service Analysis and Rate Design Application, which was filed on December 22, 2017 (Application). FBC seeks approval of, among other things, certain adjustments to the rate schedules for residential, commercial and irrigation, wholesale and transmission customers; amendments to its General Terms and Conditions; and approval of revised optional Time of Use rates.

With respect to residential rates, FBC seeks approval to, among other things, decrease the differential between the Tier 1 and Tier 2 price such that after a period of five years the differential between the Tier 1 and Tier 2 price will be zero, resulting in a flat rate.

HOW TO PARTICIPATE

There are a number of ways to participate in a matter before the Commission:

- **Submit a letter of comment**
- **Register as an interested party**
- **Request intervener status**

For more information, or to find the forms for any of the options above, please visit our website or contact us at the information below.

<http://www.bcuc.com/get-involved/get-involved-proceeding.html>

All submissions received, including letters of comment, are placed on the public record, posted on the Commission's website and provided to the Panel and all participants in the proceeding.

NEXT STEPS

1. FortisBC Inc. will be hosting the following public information sessions to inform its residential customers of the residential rate proposals outlined in the Application, including the proposal to flatten the residential rate over a five-year period:

- Kelowna: February 13th, 6:00 pm, at the Best Western Plus - 2402 Highway 97, Kelowna, BC
 - Castlegar: February 16th, 6:00 pm, at the Sandman Hotel – 1944 Columbia Avenue, Castlegar, BC
2. Persons who are directly or sufficiently affected by the Commission's decision or have relevant information or expertise and who wish to actively participate in the proceeding can request intervener status by submitting a completed Request to Intervene Form by Friday, February 23, 2018.
 3. A procedural conference is scheduled to take place on Tuesday March 6, 2018, commencing at 1:00pm at the Best Western Plus – 2402 Highway 97, Kelowna, BC. At the procedural conference, the Commission will hear from the applicant and registered interveners on the appropriate regulatory process. Members of the public are welcome to attend.

GET MORE INFORMATION

All documents filed on the public record are available on the “Current Proceedings” page of the Commission’s website at www.bcuc.com.

If you would like to review the material in hard copy, or if you have any other inquiries, please contact Patrick Wruck, Commission Secretary, at the following contact information.

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