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July 10, 2015

Via Email
Original via Mail

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

Re: FortisBC Energy Inc. (FEI)
Application for Reconsideration of Order G-187-14 Amend the Balancing Gas
Charges for Rate Schedules 23, 25, 26 and 27 (the Reconsideration Application)
FEI Reply Submission

On May 20, 2015, FEI filed the Reconsideration Application as referenced above. In accordance with British Columbia Utilities Commission Order G-94-15 setting out the Regulatory Timetable for the review of the Reconsideration Application, FEI respectfully submits its Written Reply Submissions.

If further information is required, please contact Michelle Carman, Manager, Cost of Service at (604) 592-7458.

Sincerely,

FORTISBC ENERGY INC.

Original signed by: Ilva Bevacqua

For: Diane Roy

Attachments

cc (email only): Registered Parties

BRITISH COLUMBIA UTILITIES COMMISSION

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

and

An Application by FortisBC Energy Inc. (FEI)

For Reconsideration and Variance of British Columbia Utilities Commission

**Order G-187-14 in the Matter of FEI’s Application to Amend the Balancing Gas Charges
for Rate Schedules 23, 25, 26 and 27**

REPLY SUBMISSIONS OF

FORTISBC ENERGY INC.

July 10, 2015

A. INTRODUCTION

1. On May 20, 2015, pursuant to section 99 of the *Utilities Commission Act*, FortisBC Energy Inc. (FEI) filed a Reconsideration Application¹ with the Commission to reconsider one directive from the Balancing Gas Decision² because this directive raises a new principle what was not examined in the Original Proceeding. Alternatively, FEI applied for the Reconsideration because there is just cause for granting the Reconsideration. Order G-94-15 determined that the Reconsideration Application should proceed to Phase 2 of the reconsideration process. On June 29, 2015, FEI filed its final submissions in accordance with the regulatory timetable set forth by the Commission.³
2. Interveners, the British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre *et al.* (BCOAPO) and the Commercial Energy Consumers Association of British Columbia (CEC), filed their respective submissions. BCOAPO supports the Reconsideration, concurring that the Balancing Gas Decision "results in a new principle which was not examined in the initial proceeding, specifically, whether a component of rate design should be considered in isolation and at an earlier time than the remaining components of the rate design."⁴ CEC supported the Reconsideration, albeit on the grounds that there is just cause or there has been a fundamental change in circumstances or facts since the Balancing Gas Decision.
3. In this submission, FEI responds to some comments made by CEC in its final submissions. Silence on FEI's part on any other comments made by CEC not specifically addressed in this reply, however, should not be taken as agreement with CEC's position.

B. REPLY TO CEC

4. CEC submits that FEI has not adequately established that there is a new principle raised as a result of the Balancing Gas Decision because FEI was aware of the upcoming Comprehensive Rate Design

¹ Unless otherwise noted, the capitalized terms are used herein as defined in FEI's final submissions dated June 29, 2015.

² Order G-187-14.

³ Exhibit A-1, Appendix A to Order G-94-15.

⁴ BCOAPO Submissions, at page 2.

Application and could have addressed whether the Monthly Balancing Gas Rate Design should be outside the Comprehensive Rate Design.⁵ FEI respectfully disagrees. The new principle that supports the Reconsideration arises from the Commission's directive in the Balancing Gas Decision. In the Original Proceeding, FEI did not conduct a full rate design for the monthly balancing gas transportation service as that proceeding was limited to a proposal to increase the charge for the balancing gas transportation service by \$0.10 to deter a market behavior.⁶ Nor was FEI contemplating a separate Monthly Balancing Gas Rate Design, because, as apparent from FEI's response to the Information Request in the Original Proceeding cited by CEC, FEI has consistently considered that a full rate design for the balancing gas transportation service would be part of the future Comprehensive Rate Design.⁷ A separate rate design, and timeline for review of such rate design, for the monthly balancing gas service was only directed by the Commission in its Balancing Gas Decision. Thus, in the Original Proceeding, what was not addressed, and what FEI had no reason to address, was the idea of proceeding with a full Monthly Balancing Gas Rate Design in advance of and separate from the Comprehensive Rate Design and in a time frame as imposed. In other words, the new principle that supports the Reconsideration is a result of the Commission's directive in the Balancing Gas Decision imposing a new requirement on FEI, and that this new requirement was not, and could not have been, examined in the Original Proceeding.

5. CEC also submits that there is a just cause that supports the Reconsideration. FEI agrees that just cause exists for the Reconsideration and has indeed applied for the Reconsideration on such ground.
6. Based on an argument of a change of circumstances and facts, CEC recommends that the Commission "delete" the directive in order to allow the monthly balancing gas transportation service to be reviewed in the Comprehensive Rate Design Application, without being "hampered by residual determinations from earlier proceedings".⁸ FEI agrees with the sentiment that its monthly balancing gas transportation service should be reviewed effectively and efficiently and thus has stated in its Final Submissions that "it is preferable and more practical to have the Monthly Balancing Gas Rate Design Application as a component of the Comprehensive Rate Design

⁵ CEC Final Submissions, at pages 3-4.

⁶ FEI Final Submissions, at para. 8.

⁷ CEC submissions, at page 4, citing FEI response to BCUC IR 1.4.4 in the Original Proceeding.

⁸ CEC submissions, at page 7.

Application.”⁹ FEI also agrees that a reasonable option for the Commission would be to simply remove the directive from its Order.

C. CONCLUSION

7. The Reconsideration was supported by both interveners, even though the CEC argued for different grounds for the Reconsideration. FEI therefore respectfully requests that for the reasons described in the Reconsideration Application and summarized in FEI’s final and these reply submissions, the Reconsideration Application should be granted and that Order G-187-14 be either amended as set out in the draft order attached to the Reconsideration Application, or the directive removed.

ALL OF WHICH IS RESPECTFULLY SUBMITTED,

Dated: July 10, 2015

[original signed by Song Hill]
Song Hill
Counsel for FortisBC Energy Inc.

⁹ FEI Final Submissions, at para. 12.