

ERICA HAMILTON
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: http://www.bcuc.com

SIXTH FLOOR, 900 HOWE STREET, BOX 250 VANCOUVER, BC CANADA V6Z 2N3 TELEPHONE: (604) 660-4700 BC TOLL FREE: 1-800-663-1385 FACSIMILE: (604) 660-1102

Log No. 47755

VIA EMAIL

gas.regulatory.affairs@fortisbc.com

June 6, 2014

FEI AMEND BALANCING CHARGES

RS 23, 25, 26 & 27

EXHIBIT A-2

Ms. Diane Roy Director, Regulatory Affairs FortisBC Energy Inc. 16705 Fraser Highway Surrey, BC V4N 0E8

Dear Ms. Roy:

Re: FortisBC Energy Inc.
Application to Amend the Balancing Charges for Rate Schedules 23, 25, 26, and 27

Further to your May 13, 2014 filing of the above noted, please see enclosed British Columbia Utilities Commission Order G-71-14 establishing a Regulatory Timetable.

Recognizing the FortisBC Energy (Vancouver Island) Inc. (FEVI) and FortisBC Energy (Whistler) Inc. (FEW) monthly balanced transportation customers may take service under FortisBC Energy Inc. (FEI) Rate Schedules 23, 25, 26 and 27 once amalgamation of the utilities occurs, and that FEI manages the transportation service on behalf of FEVI and FEW, please provide a copy of this Order and the Application by June 10, 2014 to the FEVI and FEW Shipper Agents and Shippers who have not appointed an agent for FEVI and FEW transportation service customers on monthly balanced transportation rate schedules. Please provide the Commission with a copy of the distribution list.

Yours truly,

Erica Hamilton

CM/nd Enclosure



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER

NUMBER G-71-14

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IN THE MATTER OF the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

FortisBC Energy Inc.

Application for Approval to Amend the Balancing Charges for Rate Schedules 23, 25, 26 and 27

BEFORE: R.D. Revel, Chair/Commissioner

H.G. Harowitz, Commissioner June 6, 2014

K.A. Keilty, Commissioner

ORDER

WHEREAS:

- A. On November 30, 2000, by Order G-110-00, the British Columbia Utilities Commission (Commission) set (among other charges) the Balancing Charge for BC Gas Utility Ltd. (now FortisBC Energy Inc. or FEI) Rate Schedules 23, 25 and 27 to be based on the average for the month of the Sumas Daily Price, and directed that FEI address the appropriate level for the Balancing Charge in the FEI 2001 Rate Design Application (2001 RDA);
- B. On November 7, 2001, by Order G-116-01, the Commission approved the FEI Negotiated Settlement Agreement in the 2001 RDA, which made no changes to the Balancing Charge, and invited FEI to bring forward proposals for change should it be demonstrated that the services provided were being used in an inappropriate manner;
- C. On November 26, 2009, by Order G-141-09, the Commission accepted the Negotiated Settlement Agreement (NSP) in the Terasen Gas Inc. (now FEI) 2010 and 2011 Revenue Requirements and Delivery Rates application as approved. The NSP included (among other things) Rate Schedule 26 NGV Transportation Service, effective January 1, 2010, and set the charges, including the Balancing Charge, to be based on the average for the month of the Sumas Daily Price;
- D. On February 26, 2014, by Order G-21-14, the Commission determined that the FortisBC Energy Utilities' (FEU) application for Reconsideration and Variance of Order G-26-13 on the FEU Common Rates, Amalgamation and Rate Design application should be referred to the Lieutenant Governor in Council for approval to amalgamate;
- E. On May 13, 2014, FEI applied to the Commission for approval to increase the existing Charge per Gigajoule (GJ) of Balancing Gas supplied in Rate Schedules 23, 25, 26 and 27, to the Sumas Daily Price Average for the Month plus \$0.10 per GJ, effective January 1, 2015 (Application). FEI states the proposed effective date of January 1, 2015 is to intended to coincide with the planned effective date of the gas utilities amalgamation and to ensure consistent treatment for all transportation customers;

BRITISH COLUMBIA UTILITIES COMMISSION

ORDER

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- F. On May 13, 2014, Cascadia Energy Inc. submitted a letter to the Commission stating it was in support of the intent of the proposed amendment to the Balancing Charge and provided an alternative to the Balancing Charge and effective date proposed by FEI;
- G. FEI has requested that the information contained in Confidential Appendix A of the Application be kept confidential due to the commercially sensitive nature of the information; and
- H. The Commission has reviewed the Application and concludes that the appropriate regulatory review process to review the Application is a written hearing process with two rounds of Information Requests with the opportunity for participation of stakeholders. The Commission agrees the information in Confidential Schedule A of the Application should be held confidential.

NOW THEREFORE pursuant to sections 59-61 of the *Utilities Commission Act*, the Commission orders as follows:

- 1. A written hearing process is hereby established for review of the Application in accordance with the Regulatory Timetable attached as Appendix A to this Order.
- 2. FEI is to provide a copy of this Order and the Application by June 10, 2014 to all Shipper Agents and all transportation service customers who have not appointed a Shipper Agent and to all Registered Interveners and Interested Parties in the FEI application for approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018. FEI is to provide the Commission with a copy of the distribution list.
- 3. Parties who wish to intervene in the review must register with the Commission, in writing or electronic submission, by Tuesday, June 24, 2014, and specify the nature of their interest in the Application and the issues that they intend to pursue in review of the Application.
- 4. The Commission will keep confidential the information contained in Confidential Appendix A due to the commercially sensitive nature of the information.

DATED at the City of Vancouver, In the Province of British Columbia, this

6th

day of June 2014.

BX OKDER

R.D. Revel

Chair/Commissioner

Attachment

FortisBC Energy Inc. Application for Approval to Amend the Balancing Charges for Rate Schedules 23, 25, 26 and 27

REGULATORY TIMETABLE

ACTION	DATE (2014)
Registration of Interveners	Tuesday, June 24
Commission Information Request No. 1 to FEI	Tuesday, June 24
Intervener Information Request No. 1 to FEI	Wednesday, July 2
FEI Response to Information Request No. 1	Tuesday, July 15
Commission and Intervener Information Request No. 2 to FEI	Thursday, July 24
FEI Response to Information Request No. 2	Thursday, August 7
Deadline for Letters of Comment	Thursday, August 7
FEI Final Argument	Thursday, August 14
Intervener Final Argument	Tuesday, August 26
FEI Reply Argument	Tuesday, September 2