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November 29, 2022

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Ms. Sara Hardgrave, Acting Commission Secretary

Dear Ms. Hardgrave:

Re: FortisBC Inc. (FBC)
Annual Review for 2023 Rates (Application)
Request for Approval of Interim Rates Effective January 1, 2023

FBC writes to request an order from the British Columbia Utilities Commission (BCUC) approving FBC's proposed 2023 rates on an interim basis effective January 1, 2023, pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act* (UCA).

Since a final Order is unlikely to be issued in time for FBC to implement the approved rates for January 1, 2023, FBC requests that its proposed 3.98 percent rate increase for 2023 be approved on an interim and refundable basis effective January 1, 2023.

In its presentation at the Annual Review for 2023 Rates workshop held on October 20, 2022¹ (Workshop), FBC described five minor adjustments to the proposed 2023 interim rate increase which FBC stated it would incorporate as part of the re-calculation of the proposed 2023 interim rates in the compliance filing to the annual review decision. FBC has taken the opportunity to re-calculate the proposed interim rate increase with the five minor adjustments described at the Workshop and accordingly is requesting a 2023 interim rate increase of 3.98 percent instead of the originally filed 3.99 percent increase in the Annual Review for 2023 Rates Application. Please refer to Table 1 below for the breakdown of the individual minor adjustments to the forecast 2023 revenue deficiency and rate increase.

¹ Exhibit B-11, slide 10.

Table 1: Breakdown of Adjustments to Proposed 2023 Rate Increase

	Deficiency (\$millions)	% Rate Increase
As-Filed	\$ 16.368	3.99%
Update AWE-BC to I-Factor Calculation	(0.118)	-0.03%
Reclass of EV DCFC Cost of Energy to O&M (BCUC IR1 12.1)	(0.109)	-0.02%
Leasehold Improvement Correction (BCUC IR1 15.3)	0.029	0.01%
2021 Residential UPC Correction (BCOAPO IR1 8.1)	0.099	0.02%
Reduction of the 2023 Growth Capital for DG Bell (BCOAPO IR1 29.8)	0.030	0.01%
Rate Increase after all Changes	\$ 16.299	3.98%

FBC's evidence in this proceeding establishes the need for the proposed rate increase on a prima facie basis. The rates should, therefore, be implemented on an interim basis while the BCUC Panel completes its deliberations on the Application.

One of the issues raised at the Workshop and canvassed in the arguments filed in this proceeding is whether 2023 rates should be approved on an interim basis pending the outcomes of the 2023-2027 Demand Side Management Plan and the Generic Cost of Capital proceedings, as requested by FBC, or whether 2023 rates should be approved on a permanent basis. FBC clarifies that it is not requesting the BCUC Panel to make a final decision on this issue at this time. Rather, FBC is simply requesting approval of interim 2023 rates to ensure that FBC is able to implement 2023 rates beginning January 1, 2023. For clarity, when the BCUC issues its final decision in this proceeding, the BCUC will need to determine whether to approve rates on a permanent basis as of January 1, 2023, or to keep rates interim pending the outcomes of the 2023-2027 Demand Side Management Plan and the Generic Cost of Capital proceedings, as requested by FBC.

FBC notes that section 44.2(2)(b) permits the BCUC to approve rates for the purpose of recovering demand-side measure expenditures that are not yet the subject of an accepted DSM expenditure schedule, if the approval is on an interim basis.

If there is any difference between the requested interim rate increase of 3.98 percent and the final rates approved by the BCUC Panel in its decision on the Annual Review for 2023 Rates Application, customers will be kept whole, as FBC will return to or recover from customers any difference between the requested 3.98 percent interim rate increase and the final approved rate increase at the time that final permanent rates are implemented.

Approvals Sought

Therefore, FBC requests approval, pursuant to sections 59 to 61 and 89 of the UCA, to implement a 3.98 percent general rate increase on an interim and refundable basis, effective January 1, 2023, with any difference between the interim rates and the permanent rates to be refunded to or collected from customers at the time that permanent 2023 rates are approved.

A draft order is attached as Appendix A.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC INC.

Original signed:

Diane Roy

Attachment

cc (email only): Registered Interveners



ORDER NUMBER

G-xx-22

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

and

FortisBC Inc.
Annual Review for 2023 Rates

BEFORE:

E. B. Lockhart, Panel Chair
C. M. Brewer, Commissioner
A. Pape-Salmon, Commissioner

on **Date**

ORDER

WHEREAS:

- A. On June 22, 2020, the British Columbia Utilities Commission (BCUC) issued its Decision and Orders G-165-20 for FortisBC Energy Inc. and G-166-20 for FortisBC Inc. (FBC) approving a Multi-Year Rate Plan for 2020 through 2024 (MRP Decision). In accordance with the MRP Decision, FBC is to conduct an annual review process to set rates for each year;
- B. By letter dated June 28, 2022, FBC proposed a regulatory timetable for its annual review for 2023 rates;
- C. By Order G-193-22 dated July 15, 2022, the BCUC established a regulatory timetable for the annual review of FBC's 2023 rates;
- D. On August 5, 2022, FBC submitted its Annual Review for 2023 Rates Application (Application);
- E. By letter dated November 29, 2022, FBC applied to the BCUC, pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act* (UCA) for approval of a general rate increase of 3.98 percent, on an interim and refundable basis, effective January 1, 2023 (Interim Rates Application) pending a final decision on the Application; and
- F. The BCUC has reviewed the Interim Rates Application and finds that approval of 2023 interim rates are warranted.

NOW THEREFORE pursuant to sections 59 to 61 and 89 of the UCA, the BCUC orders as follows:

- 1. FBC's application for a 3.98 percent general rate increase, on an interim and refundable/recoverable basis, effective January 1, 2023, is approved.

2. FBC is directed to file with the BCUC, within 30 days of the issuance of this order, amended tariff pages in accordance with the terms of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

E. B. Lockhart
Commissioner