

FBC 2025 AND 2026 ANNUAL REVIEW OF RATES EXHIBIT A-2

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ORDER NUMBER G-180-25

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

and

FortisBC Inc. 2025 and 2026 Annual Review of Rates

BEFORE:

M. Jaccard, Panel Chair T. A. Loski, Commissioner

on July 22, 2025

ORDER

WHEREAS:

- A. On March 18, 2025, the British Columbia Utilities Commission (BCUC) issued Order G-69-25 for FortisBC Energy Inc. (FEI) and Order G-70-25 for FortisBC Inc. (FBC) approving a Rate Setting Framework for 2025 through 2027 (Rate Framework Decision). In accordance with the Rate Framework Decision, FBC is to conduct an annual review process to set rates for each year (Annual Review);
- B. By Order G-314-24 dated November 27, 2024, the BCUC approved FBC's application for an interim general rate increase of 5.65 percent, effective January 1, 2025, on an interim and refundable/recoverable basis;
- C. By letter dated June 20, 2025, FBC proposed a regulatory timetable for the 2025 and 2026 Annual Review of Rates (2025 and 2026 Annual Review) that includes FBC filing its Annual Review materials, intervener registration, one round of information requests, a workshop, FBC's responses to workshop undertakings, and final and reply arguments; and
- D. The BCUC has reviewed FBC's proposal and makes the following determinations.

NOW THEREFORE for the reasons outlined in the decision accompanying this order, the BCUC orders as follows:

- 1. A regulatory timetable for the FBC 2025 and 2026 Annual Review is established as set out in Appendix A to this order.
- 2. On or before Tuesday, August 5, 2025, FBC is directed to:
 - (i) Publish the 2025 and 2026 Annual Review materials and a copy of this order on its website at <u>www.fortisbc.com</u>;

- Provide a copy of the 2025 and 2026 Annual Review materials and this order, electronically where possible, to all registered interveners in the FortisBC Rate Setting Framework for 2025 through 2027 proceeding; and
- (iii) Provide notice of the 2025 and 2026 Annual Review and this order on its existing social media platforms.
- 3. FBC is directed to provide written confirmation of compliance with the public notice requirements set out in Directive 2 by Thursday, August 7, 2025.
- 4. In accordance with the BCUC Rules of Practice and Procedure, parties who wish to actively participate in this proceeding must submit a Request to Intervene Form, available on the BCUC's website at https://www.bcuc.com/forms/RequestToIntervene by Tuesday, August 12, 2025, as established in the regulatory timetable. Parties may also submit letters of comment by completing a Letter of Comment Form, available on the BCUC's website at https://www.bcuc.com/forms/RequestToIntervene by Tuesday, August 12, 2025, as established in the regulatory timetable. Parties may also submit letters of comment by completing a Letter of Comment Form, available on the BCUC's website at https://www.bcuc.com/Forms/LetterOfComment.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of July 2025.

BY ORDER

Electronically signed by Mark Jaccard

M. Jaccard Commissioner

Attachment

FortisBC Inc. 2025 and 2026 Annual Review of Rates

REGULATORY TIMETABLE

Action	Date (2025)
FBC filing of Annual Review for 2025 and 2026 Rates Application	Thursday, July 31
FBC public notice of application	Tuesday, August 5
FBC confirmation of compliance with public notice requirements	Thursday, August 7
Intervener registration deadline	Tuesday, August 12
BCUC decision on intervener registrations and instructions on proceeding scope	Monday, August 18
BCUC Information Request (IR) No. 1 to FBC	Tuesday, August 26
Intervener IR No. 1 to FBC	Thursday, September 4
FBC responses to BCUC and Intervener IR No. 1	Thursday, September 25
Letters of comment deadline	Thursday, September 25
FBC final argument	Monday, October 6
Intervener final argument	Friday, October 17
FBC reply argument	Monday, October 27

DECISION

1.0 Background

On March 18, 2025, the British Columbia Utilities Commission (BCUC) approved a performance-based regulatory rate-setting framework (Rate Framework) for FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (collectively, FortisBC) for the three years from 2025 to 2027 (Rate Framework Decision). In accordance with the Rate Framework Decision, an annual review process is required to set FEI's delivery rates and FBC's rates for each year of the Rate Framework and review the respective performance of the utilities during the prior year (Annual Reviews).¹

2.0 Regulatory Process

By letter dated June 20, 2025, FBC has proposed a regulatory timetable for the 2025 and 2026 Annual Review of Rates (2025 and 2026 Annual Review) that includes FBC filing its Annual Review materials, intervener registration, one round of BCUC and intervener information requests (IRs), FBC responses to IR No. 1, a workshop, FBC responses to undertakings from the workshop (if any), intervener final arguments, and FBC reply arguments.

Panel Determination

The Panel establishes the regulatory timetable as set out in Appendix A to the order issued with this decision.

The Panel acknowledges that FBC has included a workshop in its proposed regulatory process, and that this is consistent with the regulatory review process in the Annual Reviews during FBC's most recent performancebased rate framework for 2020 to 2024. However, the Panel considers that an application of this nature can be adequately reviewed through one round of IRs, and that proceeding directly to final and reply arguments from the parties will be sufficient given the purpose of an annual review and the short passage of time since the Rate Framework Decision.

We note the BCUC stated in the Rate Framework Decision that "... in the absence of new information, it is this Panel's expectation that the Annual Reviews will not revisit the approved components of the Rate Framework."² Therefore, considering the expected limited scope of the Annual Reviews, the Panel finds that a workshop would result in an unwarranted increase to timelines in the regulatory timetable and would increase resource requirements for all parties in the proceeding. The Panel's determination aligns with the promotion of regulatory efficiency and reduction of regulatory costs.³

The Panel has also included additional procedural milestones in the regulatory timetable for when intervener registrations will be accepted and proceeding scope instructions will be issued to participants. The Panel considers that introducing these new milestones will support transparency and provide greater certainty to the

¹ FortisBC Energy Inc. and FortisBC Inc. 2025 to 2027 Rate Setting Framework, Decision and Orders G-69-25 and G-70-25 (Rate Framework Decision), pp. 71, 75.

² Ibid., p. 73.

³ BCUC Regulatory Efficiency Initiative dated December 22, 2023, Appendix A, Final List of Efficiencies, p. 1.

application review process by clarifying key process steps early on and enabling all participants to schedule and plan their involvement accordingly.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of July 2025.

Electronically signed by Mark Jaccard

M. Jaccard Panel Chair/Commissioner

Electronically signed by Tom Loski

T. A. Loski Commissioner