



bcuc
British Columbia
Utilities Commission

Marija Tresoglavic
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November 25, 2020

Sent via email/eFile

FEI - FORT NELSON 2021 DEFERRAL ACCOUNT AND RSAM RIDER EXHIBIT A-2

Ms. Diane Roy
Vice President, Regulatory Affairs
FortisBC Energy Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8
gas.regulatory.affairs@fortisbc.com

Re: FortisBC Energy Inc. – Application for Approval of Deferral Account Treatment for 2021 and Changes to the Revenue Stabilization Adjustment Mechanism Rider for the Fort Nelson Service Area – Regulatory Timetable

Dear Ms. Roy:

Further to your November 6, 2020 filing of the above-noted matter, enclosed please find British Columbia Utilities Commission Order G-299-20 establishing a regulatory timetable for the review of the application.

Sincerely,

Original signed by Jessica O'Brien on behalf of:

Marija Tresoglavic
Acting Commission Secretary

/ae
Enclosure



**ORDER NUMBER
G-299-20**

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

and

FortisBC Energy Inc.
Application for Approval of Deferral Account Treatment for 2021 and Changes to the
Revenue Stabilization Adjustment Mechanism Rider for the Fort Nelson Service Area

BEFORE:

K. A. Keilty, Panel Chair
A. K. Fung, QC, Commissioner

on November 25, 2020

ORDER

WHEREAS:

- A. On November 6, 2020, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (BCUC), pursuant to sections 59 to 61 of the *Utilities Commission Act*, an application for approval to maintain the existing rates for 2021 and of certain deferral account treatment and changes to the Revenue Stabilization Adjustment Mechanism (RSAM) rate rider for 2021 for the Fort Nelson service area (FEFN) (Application);
- B. In the Application, FEI requests the following approvals for FEFN:
 - (i) To maintain delivery rates at existing 2020 rates as approved by Order G-48-19 on a permanent basis, effective January 1, 2021;
 - (ii) To change the RSAM rate rider from a recovery of \$0.177 per gigajoule (GJ) to a refund of \$0.054 per GJ, effective January 1, 2021; and
 - (iii) To establish a non-rate base deferral account to record the forecast 2021 revenue surplus of \$195,000 and any BCUC direct costs or Participant Assistance/Cost Award costs related to the review of the Application, attracting a weighted average cost of capital return and with amortization to be determined in the next rate setting proceeding;
- C. FEI intends to file an application for common rates for FEFN by May 2021, with an expected implementation date of January 1, 2022;
- D. FEI proposes a limited regulatory process for the review of the Application, with information requests limited to the BCUC and any participation by stakeholders limited to letters of comment; and
- E. The BCUC has commenced review of the Application and considers that a regulatory timetable should be established.

NOW THEREFORE the BCUC orders as follows:

1. A regulatory timetable for the review of the Application is established, as set out in Appendix A to this Order.
2. FEI is directed to file the supplemental information outlined in Appendix C to this Order by Wednesday, December 2, 2020.
3. FEI is to publish the Public Notice attached as Appendix B to this Order in display-ad format and in the appropriate local news publications to provide adequate notice to the public in the Fort Nelson service area, as soon as reasonably possible, but no later than Wednesday, December 16, 2020.
4. As soon as reasonably possible, FEI is directed to publish the Application, this Order and the Regulatory Timetable on its website and to provide copies, electronically where possible, to the Commercial Energy Consumers Association of British Columbia (i.e. the sole registered intervener in the FEI 2019 and 2020 Revenue Requirements Application for the Fort Nelson service area).
5. In accordance with the BCUC Rules of Practice and Procedure, parties who wish to participate in the proceeding may submit a letter of comment or register as an interested party, by the date established in the attached regulatory timetable.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of November 2020.

BY ORDER

Original signed by:

K. A. Keilty
Commissioner

Attachment

FortisBC Energy Inc.
Application for Approval of Deferral Account Treatment for 2021 and Changes to the
Revenue Stabilization Adjustment Mechanism Rider for the Fort Nelson Service Area

REGULATORY TIMETABLE

Action	Date (2020)
FEI to file Supplemental Information	Wednesday, December 2
FEI publishes Public Notice	Wednesday, December 16
BCUC Information Request (IR) No. 1 to FEI	Wednesday, December 16

Action	Date (2021)
FEI response to IR No. 1	Thursday, January 7
Letters of Comment deadline	Thursday, January 14
FEI Written Final Argument, including submissions on issues raised in IRs and any letters of comment	Thursday, January 28



We want to hear from you

FortisBC Energy Inc. Application for Deferral Account Treatment for 2021 and Changes to the Revenue Stabilization Adjustment Mechanism Rider for the Fort Nelson Service Area

On November 6, 2020, FortisBC Energy Inc. (FEI) filed an application with the British Columbia Utilities Commission (BCUC) seeking approvals for the following items in the Fort Nelson service area:

- a. To maintain existing delivery rates on a permanent basis, effective January 1, 2021;
- b. To place the forecasted 2021 revenue surplus in a deferral account; and
- c. To change the Revenue Stabilization Adjustment Mechanism rate rider to a refund of \$0.054 per GJ, effective January 1, 2021.

The BCUC is currently reviewing the application.

HOW TO PARTICIPATE

- Submit a letter of comment
- Register as an interested party

IMPORTANT DATES

1. **Thursday, January 14, 2021** – Deadline to submit a letter of comment to the BCUC

For more information about FEI's application, visit

<https://www.bcuc.com/ApplicationView.aspx?ApplicationId=822>. To learn more about getting involved, please visit our website (www.bcuc.com/get-involved) or contact us using the information below.

GET MORE INFORMATION

FortisBC Energy Inc.



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FortisBC Energy Inc.
Application for Approval of Deferral Account Treatment for 2021 and Changes to the
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SUPPLEMENTARY INFORMATION LIST

1. Clarification on whether FEI seeks interim approval of delivery rates and the RSAM rate rider for FEFN effective January 1, 2021 and if yes, by what date this approval is required.
2. Details of the FEFN demand for 2019 and 2020 (forecast and actual) and 2021 (forecast), including: the use per customer and number of customers for each rate class and with variances year-on-year; and explanations for any variances between forecast and actual demand.
3. A discussion of the methodology used to develop the 2021 demand forecast.
4. Supporting financial schedules for FEFN's rate base and revenue requirements for 2019 and 2020 (forecast and actual) and 2021 (forecast), in the same format as provided in Section 11 of the FEI 2019-2020 Revenue Requirements Application for the Fort Nelson Service Area (RRA).¹
5. Breakdown of forecast capital expenditures and additions by major project for 2019 and 2020 (forecast and actual) and 2021 (forecast).
6. Breakdown of gross plant additions for 2019 and 2020 (forecast and actual) and 2021 (forecast), in the same format as provided in Table 8-2 of the FEI 2019-2020 RRA.²
7. A discussion of the status, full scope, timing and expenditure forecast of the Recreation Centre District Station project, including the circumstances that led to the change in scope and the alternatives considered.
8. FEI's proposal for the disposition of the non-rate base Fort Nelson First Nations Right-of Way Agreement deferral account.
9. The impact of the Prophet River First Nation Gas Distribution System Extension on test year 2021 costs and rates.

¹ FortisBC Energy Inc. 2019-2020 Revenue Requirements Application for the Fort Nelson Service Area, Exhibit B-1, Section 11.

² FEI 2019-2020 RRA, Exhibit B-1, Section 8.2, p. 47.