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VIA EMAIL

February 13, 2013

FORTISBC INC. – CPCN FOR THE ADVANCED METERING INFRASTRUCTURE PROJECT EXHIBIT A-36

TO: FortisBC Inc.
Registered Interveners
(FBC AMI-RI)

Re: FortisBC Inc.
Application for a Certificate of Public Convenience and Necessity
for the Advanced Metering Infrastructure Project
Information Requests Related to the Kelowna Electric Utility Purchase

Further to the request by the BC Sustainable Energy Association and the Sierra Club of BC to include FortisBC's responses to its Information Requests 1.1 and 1.2 (Exhibit C4-2) in the separate FortisBC City of Kelowna electric utility purchase proceeding, enclosed please find Commission Order G-24-13.

Yours truly,

Erica Hamilton

cms
Enclosure

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BRITISH COLUMBIA UTILITIES COMMISSION

ORDER NUMBER G-24-13

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

and

An Application by FortisBC Inc.
for a Certificate of Public Convenience and Necessity
for the Advanced Metering Infrastructure Project
Information Request Related to Kelowna Electric Utility Purchase

BEFORE: L.F. Kelsey, Commissioner
D.M. Morton, Commissioner
N.E. MacMurchy, Commissioner

February 13, 2013

O R D E R

WHEREAS:

A. On July 26, 2012, FortisBC Inc. (FortisBC) applied to the British Columbia Utilities Commission (BCUC or Commission) pursuant to section 45, 46 and 56 of the *Utilities Commission Act* (Act), for a Certificate of Public Convenience and Necessity (CPCN) and approval of the Advanced Metering Infrastructure (AMI) Project (Project), including a revised depreciation rate for the proposed meters to be installed (Application);

B. On September 13, 2012, by Order G-124-12, the Commission issued an Amended Preliminary Regulatory Timetable, with BCUC and Intervener Information Requests No. 2 due by November 23, 2012;

C. On November 13, 2012, FortisBC filed a separate application with the Commission to purchase the electric utility assets of the City of Kelowna;

D. On November 16, 2012, FortisBC filed an addendum (Exhibit B-1-2) to its Application to include an assessment of Project costs and benefits with the addition of the City of Kelowna's electric utility assets under its AMI Project;

E. On November 20, 2012, FortisBC filed the Excel file (Exhibit B-1-3) containing the financial analysis in its November 16, 2012 filing of the addendum;

F. On November 23, 2012, BCUC and Intervener Information Requests No. 2 were issued according to the established Timetable;

G. On December 4, 2012, the Commission issued a letter (Exhibit A-16) seeking written comments from the Interveners on whether there is a need for an additional Information Request with a focus only on the AMI financial impacts of the proposed purchase of the Kelowna electric utility. Interveners were to submit comments by January 17, 2013, with FortisBC reply by January 24, 2013;

H. On January 17, 2013, the BC Residential Utility Customers Association (BCRUCA) submitted its letter of comment (Exhibit C8-4), stating that additional Information Requests related to the Kelowna acquisition were not necessary;

I. On January 17, 2013, the BC Pensioners and Seniors Organization (BCPSO) submitted a letter (Exhibit C3-5) stating that it would likely participate if additional Information Requests were allowed to seek clarification regarding certain items in the Addendum (Exhibit B-1-2) and financial analysis (Exhibit B-1-3);

J. On January 7, 2013, the BC Sustainable Energy Association and the Sierra Club of BC (BCSEA-SCBC) submitted a letter (Exhibit C4-11) requesting that FortisBC's responses to its Information Requests 1.1 and 1.2 (Exhibit C4-2) in the separate FortisBC City of Kelowna electric utility purchase proceeding, be filed in the AMI proceeding as relevant and that beyond that no further Information Requests are necessary;

K. On January 22, 2013, FortisBC submitted its reply stating it had no objection to the request by BCSEA-SCBC to have its responses to IR 1.1 and 1.2 of the City of Kelowna electric utility purchase proceeding including in the record of the AMI proceeding and that it does not believe additional information requests are necessary;

L. On January 22, 2013, FortisBC submitted a conditional amendment to its Application for a CPCN for the AMI Project requesting that the estimated capital cost of the Project be conditional on the outcome of the application for the acquisition of the City of Kelowna electric utility assets;

M. The Commission has considered the submissions and determines that insufficient time was allowed for Commission staff and Interveners to submit Information Requests on the addendum exhibits (Exhibits B-1-2, B-1-3 and B-1-4) in the established regulatory timetable, and that Information Requests from Commission staff and BCPSO should be allowed on the financial impacts of the addendum exhibits.

NOW THEREFORE the Commission orders as follows:

1. Commission staff and BCPSO may submit additional Information Requests to FortisBC focused on clarification and financial impacts of addendum Exhibits B-1-2, B-1-3 and B-1-4 by Wednesday, February 20, 2013.

2. FortisBC is to file its responses to Commission staff and BCPSO Information Requests by Thursday, March 21, 2013.

3. The FortisBC responses to BCSEA-SCBC Information Requests No. 1.1 and 1.2 in the FortisBC acquisition of the City of Kelowna electric utility assets proceeding, will be allowed as evidence in the FortisBC AMI proceeding and are attached as Appendix A to this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of February 2013.

BY ORDER

Original signed by:

D.M. Morton
Commissioner

Attachment

An Application by FortisBC Inc.
for a Certificate of Public Convenience and Necessity
for the Advanced Metering Infrastructure Project
Information Request Related to Kelowna Electric Utility Purchase

Responses to BC Sustainable Energy Associate and Sierra Club of BC Information Requests 1.1 and 1.2 in the FortisBC Inc. Certificate of Public Convenience and Necessity Application for the Purchase of the Utility Assets of the City of Kelowna

"If the Restructuring Opportunity is approved and brought to fruition, FortisBC will extend its advanced metering project to include the City's existing electricity service area."

1.1 If both the Utility Assets Purchase and the Advanced Metering Initiative applications are approved by the Commission, and if both projects proceed as anticipated, what if any difference will there be in the timing or any other aspects of implementation of the AMI project as between former City of Kelowna customers and other FBC customers?

Response:

The overall schedule of the AMI project is not expected to be impacted by the inclusion of the approximately 15,000 former City of Kelowna customers. If both applications are approved, the former City of Kelowna customers would have AMI meters installed at approximately the same time as existing FortisBC customers in the Kelowna area. The exact timing of the installation of AMI meters in the Kelowna area has not been determined, but would occur in 2014 or 2015.

"Council is aware, as well, that the decision to allow the installation of advanced meters falls solely under the jurisdiction of the BCUC, British Columbia's independent energy regulator. The BCUC's review of FortisBC's application on the matter will involve a quasi-judicial process in which stakeholders on both sides of the issue will be able to present their informed positions and research. The BCUC will weigh the evidence it receives and make its decision in the public interest.

Council notes, finally, that the debate surrounding advanced meters has no bearing on the Restructuring Opportunity, or the need for the electors to approve disposition of the City's utility assets." [p.139 of 240]

1.2 What is FBC's position regarding whether the Commission should consider matters concerning the potential applicability of FBC's Advanced Metering Initiative to City of Kelowna/would-be FBC customers within (a) the FBC AMI proceeding or (b) this Purchase of Assets proceeding or (c) both? Why?

Response:

FortisBC's position is that this Application is for the purchase of the City of Kelowna's existing electric distribution assets. The potential applicability of FortisBC's Advanced Metering Initiative to City of Kelowna/would-be FortisBC customers is a matter to be dealt with in FortisBC's AMI proceeding. The matter of whether or not it is in the public interest to purchase the City of Kelowna's electric distribution assets is a matter that should be determined on its own merits. The matter of whether or not AMI is in the public interest is a matter that should be determined on its own merits. Neither the purchase of the City's distribution assets, or the implementation of AMI is dependent on one another. Therefore, the regulatory processes associated with each, similarly, need not be dependent on one another.