



British Columbia
Utilities Commission

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VIA EFILE

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August 2, 2016

**FORTISBC INC. NET METERING PROGRAM
TARIFF UPDATE EXHIBIT A-6**

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

Dear Ms. Roy:

Re: FortisBC Inc.
Project No. 3698875
Net Metering Program Tariff Update Application

Further to your April 15, 2016 filing of the above noted application, please find enclosed British Columbia Utilities Commission Order G-126-16 establishing further process in the Regulatory Timetable with reasons for decision.

Yours truly,

Original Signed By:

Laurel Ross

/nd
Enclosure



**ORDER NUMBER
G-126-16**

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

and

FortisBC Inc.
Net Metering Program Tariff Update Application

BEFORE:

H. G. Harowitz, Panel Chair/Commissioner
R. I. Mason, Commissioner
R. D. Revel, Commissioner

on August 2, 2016

ORDER

WHEREAS:

- A. On April 15, 2016, FortisBC Inc. (FBC) filed its Net Metering Program Tariff Update Application (Application) with the British Columbia Utilities Commission (Commission);
- B. On May 3, 2016, by way of Order G-59-16, the Commission established a regulatory timetable for review of the Application through a written hearing process with one round of information requests (IRs);
- C. On May 18, 2016, the Commission received a letter of comment from a group of six FBC net-metering customers from the Kaslo area (Exhibit E-2) asking the Commission to:
 - direct FBC to outline in writing the financial facts for the claims made in the Application prior to the June 8, 2016 deadline for submission of the intervener information requests;
 - add an oral portion to the hearing after FBC has responded to the first round of information requests; and
 - slow down the hearing process to give them time to prepare appropriate input and consult with other FBC net-metering customers;
- D. On May 26, 2016, by way of Order G-75-16, the Commission amended the Regulatory Timetable to allow for submission on further process after FBC IR responses, with further process to be determined;
- E. On June 17, 2016, FBC submitted a request to amend the Regulatory Timetable with the Commission, seeking a two-week extension to the remaining dates on the Regulatory Timetables established by Order G-59-16;
- F. On June 20, 2016, by way of Order G-94-16, the Commission granted FBC's extension request and amended the Regulatory Timetable;

- G. By July 20, 2016, the Commission received submissions on further process from the BC Sustainable Energy Association and Sierra Club BC (BCSEA), British Columbia Old Age Pensioners' Organization *et al.* (BCOAPO), Commercial Energy Consumers Association of British Columbia (CEC), FBC, Resolution Electric Ltd. (Resolution), Mr. Donald Scarlett and Mr. Andy Shadrack. BCSEA, BCOAPO, CEC and FBC have a preference for proceeding to final arguments. Resolution, Mr. Scarlett and Mr. Shadrack have a preference for a second round of written information requests followed by final arguments; and
- H. The Commission has reviewed the evidentiary record to date and the submissions on further process by parties, and finds that a second round of information requests with limited scope as specified in the reasons for decision contained in Appendix A of this order is warranted.

NOW THEREFORE, and for the reasons for decision attached as Appendix A to this order, the British Columbia Utilities Commission orders as follows:

1. The Regulatory Timetable for the review of the FortisBC Inc. Net Metering Program Tariff Update application containing further process is established and attached as Appendix B to this order. Remaining regulatory process will include a second round of information requests (IR No. 2) with a limited scope, followed by arguments.
2. The scope of a second round of information requests, as defined in the reasons for decision attached as Appendix A to this order, is constrained as follows:
 - Questions should focus specifically on seeking clarification in regards to: approval of changes to Rate Schedule (RS) 95 to clarify the intent of the Net Metering Program; approval of the use of a kWh Bank to carry forward Net Excess Generation for an annual period with compensation at the end of that annual period; approval for compensating customers for remaining unused Net Excess Generation at the BC Hydro RS 3808 Tranche 1 rate currently priced at 4.303 cents; and confirmation on FBC's proposed billing methodology.
 - Questions on planning obligations under section 44.1 of the UCA, sections 6 and 19 of the CEA, climate change, and the price at which FBC sells power to other customers are not within scope for IR No. 2.
 - Questions that essentially repeat or paraphrase questions already posed in IR No. 1 are not acceptable.

DATED at the City of Vancouver, in the Province of British Columbia, this 2nd day of August 2016.

BY ORDER

Original Signed By:

H. G. Harowitz
Commissioner

Attachment

FortisBC Inc.
Net Metering Program Tariff Update Application

REASONS FOR DECISION

By Order G-94-16, the British Columbia Utilities Commission (Commission) invited parties to provide submissions on further process by July 20, 2016. The Commission received submissions on further process from the BC Sustainable Energy Association and Sierra Club BC (BCSEA), British Columbia Old Age Pensioners' Organization *et al.* (BCOAPO), Commercial Energy Consumers Association of British Columbia (CEC), FortisBC Inc. (FBC), Resolution Electric Ltd. (Resolution), Mr. Donald Scarlett and Mr. Andy Shadrack. BCSEA, BCOAPO, CEC and FBC share the view that the evidentiary record is sufficient, and would like to proceed to final arguments. Mr. Scarlett, Mr. Shadrack and Resolution would like a second round of information requests (IR No. 2) before final arguments. None of the parties are in favour of an oral hearing.

Of the parties who wish to proceed to IR No. 2 before arguments:

- Mr. Scarlett would like to address in IR No. 2, whether FBC sells “green power” at a premium, and the extent to which FBC’s IR response regarding treatment of Net Metering customers with Net Excess Generation conflicts with his own experience.
- Mr. Shadrack identified a number of areas where he considers FBC’s responses to BCUC and interveners’ IRs as inadequate, including: contextual information necessary to fulfil FBC’s planning obligation under section 44.1 of the *Utilities Commission Act* (UCA) and sections 6 and 19 of the *Clean Energy Act* (CEA); figures or other coherent data to assess whether retaining the retail rate for Net Energy generation represents an unfair subsidy as compared to what it spends on all the other demand side and energy conservation programs; and climate change and goals of the CEA.
- Resolution suggests a second round of information requests to satisfy interveners who feel that initial requests need to be restructured and posed again to gain a more conclusive answer.

FBC, in its submission dated July 20, 2016, states that it has provided full responses to all relevant IRs with the information available to it, and that it has provided complete responses to the best of its ability and its understanding of the questions as posed. FBC also states that it considers discussions of the broader issues of resource planning and climate change will not assist the Commission in making determinations on the limited matters before it in this Application, and that discussion of these issues does not belong in this process. FBC further submits that the final submissions process provides the appropriate venue for interveners to draw attention to particular concerns with the evidence on the record.

Commission determination

In recognition that certain interveners have outstanding issues they wish to address, **the Panel establishes the remaining regulatory process to include a second round of information requests (IR No. 2) with a limited scope, followed by arguments. Further details on the remaining regulatory processes in this proceeding can be found in the Regulatory Timetable contained in Appendix B to this order.**

The scope of IR No. 2 is constrained as follows:

- Questions should focus specifically on seeking clarification in regards to: approval of changes to Rate Schedule (RS) 95 to clarify the intent of the Net Metering Program; approval of the use of a kWh Bank to carry forward Net Excess Generation for an annual period with compensation at the end of that annual period; approval for compensating customers for remaining unused Net Excess Generation at

the BC Hydro RS 3808 Tranche 1 rate currently priced at 4.303 cents; and confirmation on FBC's proposed billing methodology.

- **Questions on planning obligations under section 44.1 of the UCA, sections 6 and 19 of the CEA, climate change, and the price at which FBC sells power to other customers are not within scope for IR No. 2.**
- **Questions that essentially repeat or paraphrase questions already posed in IR No. 1 are not acceptable.**

The Panel notes that FBC filed, and the Commission is conducting a review of, the FBC Net Metering Program Tariff Update Application (Application) under section 60 of the UCA. Applications filed under this section are reviewed based on the criteria that the setting of a rate: is not unjust or unreasonable within the meaning of section 59 of the UCA; provides the utility with a fair and reasonable return on any expenditure made by it to reduce energy demands; and encourages public utilities to increase efficiency, reduce costs and enhance performance.

In reviewing the evidentiary record to date in the context of section 60 of the UCA, the Panel is satisfied that FBC has, within the limits of the information available to it, genuinely attempted to adequately respond to all information requests submitted by the interveners and the Commission in IR No. 1. That said, the Panel is open, in IR No. 2, to considering further elaboration by FBC on IR No. 1 response concerns that the interveners have determined are not adequately addressed, providing that interrogatories related to those concerns fall within the IR No. 2 scope as defined above.

Issues related to section 6 and 19 of the CEA and FBC's planning obligation under section 44.1 of the UCA are relevant to this Application for contextual purposes only, and in the Panel's view, no further information/evidence is necessary to complete the evidentiary record of this proceeding. The Panel also notes that FBC will be filing its long-term electric resource plan by November 30 of this year¹, and without prejudice to that filing, suggests that these issues might be more appropriately explored at that time.

¹ Exhibit B-8, Resolution IR 8.

FortisBC Inc.
Net Metering Program Tariff Update Application

REGULATORY TIMETABLE

ACTION	DATE (2016)
Commission and Intervener Information Request (IR) No. 2	Monday, August 15
FortisBC Response to IRs No. 2	Wednesday, August 31
Deadline for Letters of Comment (if any)	Friday, September 9
FortisBC Final Argument	Friday, September 16
Intervener Final Argument	Friday, September 23
FortisBC Reply Argument	Friday, September 30