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ORDER NUMBER A-2-16

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

and

FortisBC Energy Inc.
Customer Choice Program Annual General Meeting

BEFORE:

D. M. Morton, Commissioner
D. J. Enns, Commissioner
W. M. Everett, Commissioner
H. G. Harowitz, Commissioner
R. D. Revel, Commissioner

on April 7, 2016

ORDER

WHEREAS:

- A. FortisBC Energy Inc. (FEI) obtained a Certificate of Public Convenience and Necessity on August 14, 2006 for the Commodity Unbundling Project for Residential Customers (Customer Choice) in accordance with the provincial government's 2002 energy policy, which allows for the direct sale of natural gas to residential and small volume commercial customers through gas marketing companies licensed by the British Columbia Utilities Commission (Commission);
- B. Section 71.1 of the *Utilities Commission Act* is the authority under which the Commission, among other functions, licenses and issues rules for the conduct of gas marketers;
- C. Order A-10-12 establishes the regulatory process for the Commission to hold a Customer Choice Annual General Meeting (AGM), if warranted, in order to address issues raised by stakeholders and modify the Code of Conduct for Gas Marketers;
- D. FEI submitted Customer Choice program statistics regarding the 2015 calendar year to the Commission and AGM stakeholders for review on February 29, 2016. FEI submitted a version with minor edits on March 1, 2016;
- E. By letter dated March 1, 2016, the Commission issued Customer Choice program statistics regarding disputes and complaints filed in 2015 to FEI and other AGM stakeholders for review and requested submissions on whether an AGM regarding the 2015 calendar year is warranted, and if so, propose issues to be addressed during the AGM. The letter noted that a significant proceeding regarding the Customer Choice

program will soon be initiated as FEI must submit an application regarding the Customer Choice program fee structure to the Commission by April 14, 2016, in accordance with Order A-12-15;

- F. By March 22, 2016, FEI, Access Gas Services Inc., Direct Energy Marketing Limited, Just Energy (B.C.) Limited Partnership and the BC Old Age Pensioners' Organization *et al.* made submissions on the matter; and
- G. The Commission reviewed the submissions and determines an AGM regarding the 2015 calendar year is not warranted.

NOW THEREFORE pursuant to section 71.1 of the *Utilities Commission Act* and Order A-10-12, the British Columbia Utilities Commission orders that a Commodity Unbundling Project for Residential Customers Annual General Meeting regarding the 2015 calendar year will not be held for the reasons outlined in the attached Reasons for Decision.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of April 2016.

BY ORDER

Original signed by:

D. M. Morton Commissioner

Attachment

FortisBC Energy Inc. Customer Choice Program Annual General Meeting

REASONS FOR DECISION

FortisBC Energy Inc. (FEI) obtained a Certificate of Public Convenience and Necessity on August 14, 2006, for the Commodity Unbundling Project for Residential Customers (Customer Choice) in accordance with the provincial government's 2002 energy policy, which allows for the direct sale of natural gas to residential and small volume commercial customers through gas marketing companies licensed by the British Columbia Utilities Commission (Commission).

Section 71.1 of the *Utilities Commission Act* is the authority under which the Commission, among other functions, licenses and issues rules for the conduct of gas marketers. Order A-10-12 establishes a regulatory process for the Commission to hold a Customer Choice Annual General Meeting (AGM), if warranted, in order to discuss address issues raised by stakeholders and modify the Code of Conduct for Gas Marketers.

By letter dated March 1, 2016, the Commission requested submissions on whether an AGM regarding the 2015 calendar year is warranted, and if so, proposed issues to be addressed during the AGM. The letter noted that a significant proceeding regarding the Customer Choice program will soon be initiated. According to Order A-12-15, FEI must submit an application regarding the Customer Choice program fee structure to the Commission by April 14, 2016 (Application).

By email dated March 17, 2016, Access Gas Services Inc. submits they have no new issues for discussion during, and do not see a need for, an AGM this year unless other participants bring forth material issues for discussion.

By letter dated March 17, 2016, Direct Energy Marketing Limited (Direct Energy) submits that an AGM may not be warranted this year given the extent of the issues addressed during last year's AGM and the upcoming FEI Application. In the event the Commission does not hold an AGM, Direct Energy requests the Commission establish a technical conference or working group following FEI's Application.

Just Energy (B.C.) Limited Partnership (Just Energy) submits:

Just Energy's only items for discussion are FEI's justification for operating costs to be recovered from gas marketers and other advancements industry participants think can be made to the Customer Choice program. Notwithstanding this, Just Energy is not opposed to having an Annual General Meeting this year.

In the event the BCUC finds that an Annual General Meeting is not warranted this year, Just Energy requests that an informal meeting be held to discuss FEI's analysis and recommendations regarding the Customer Choice program fee structure after FEI submits its application and before the BCUC initiates a proceeding.¹

By letter dated March 20, 2016, FEI submits it has no items for discussion during an AGM as the Application required by Order A-12-15 will be dealt with in a dedicated proceeding.

By letter dated March 22, 2016, the British Columbia Old Age Pensioners Organization *et al.* submits the AGM process is not warranted this year given the upcoming FEI Application.

Commission determination

The Commission determines a Commodity Unbundling Project for Residential Customers (Customer Choice) Annual General Meeting regarding the 2015 calendar year will not be held as stakeholders did not raise any issues that cannot be addressed in the upcoming FEI application regarding the Customer Choice program fee structure.

The Commission will initiate a process to review the Customer Choice program fee structure upon receipt of FEI's Application on the matter. The Commission instructs Direct Energy and Just Energy to submit their requests and/or issues regarding the Application and its review process when the Commission requests submissions on those matters.

¹ Just Energy, Letter re FEI Customer Choice Program AGM, March 17, 2016.