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Via E-Mail

May 3, 2012

B.C. Utilities Commission
6th Floor - 900 Howe Street
Vancouver, B.C.
V6Z 2N3

File No.: 4.2.3

Attention: Alanna Gillis
Acting Commission Secretary

Dear Ms. Gillis:

Re: BCUC Generic Cost of Capital Proceeding (GCOC) – Project No. 3698660

This letter responds to the Commission's request for registered participants in the GCOC proceeding to file written submissions on the Preliminary Minimum Filing Requirements (see Commission Order G-50-12, Appendix C). PNG reviewed a draft of the FortisBC Utilities submission. PNG confirms it is in agreement with the comments made by FortisBC Utilities in their submission except as noted below.

PNG submits it should not be required to file the Company specific documents described in Part A of Appendix B to Order G-50-12 because this material is not considered by PNG to be relevant to the determination by the Commission of the ROE and capital structure for a benchmark utility. Moreover, the negotiated settlement of PNG's 2011 revenue requirements application provided that "PNG will file capital structure and ROE evidence as part of its 2013 revenue requirements application." Accordingly, PNG expects it will need to file the Company *specific* documents described in Part A in conjunction with its 2013 revenue requirements application and that PNG should not be required to do so in the context of the *generic* cost of capital proceeding.

PNG also notes that at the present time, PNG expects it will not be filing the evidence requested by the Commission in “Part B Other Filing Requirements” as PNG will be relying on the evidence being filed by the FortisBC Utilities in that regard. In other words, PNG considers it will be more efficient for the FortisBC Utilities to coordinate the filing of the evidence required by the Commission to make its determinations with regard to the generic benchmark utility and with respect to whether to implement an automatic adjustment mechanism going forward. Based on the foregoing, PNG questions the rationale for filing evidence specific to PNG in the GCOC proceeding.

Please forward any questions regarding this letter to my attention.

Yours truly,

A handwritten signature in cursive script that reads "J.P. Kennedy". The signature is written in black ink and is positioned above the typed name.

J.P. Kennedy

cc. Registered Participants