



June 5, 2012

British Columbia Utilities Commission  
6<sup>th</sup> Floor, 900 Howe Street  
Vancouver, BC  
V6Z 2N3

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: Generic Cost of Capital Proceeding (the “GCOB Proceeding” or the “Proceeding”)  
FortisBC Utilities<sup>1</sup> Request for Variance of Regulatory Timetable**

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On June 1, 2012, the British Columbia Utilities Commission (the “Commission”) issued Order No. G-72-12 (the “Order”) setting out the Final Minimum Filing Requirements and a Preliminary Regulatory Timetable for the proceeding going forward.

The FortisBC Utilities (the “Companies”, or “we” in this submission) appreciate the clarification provided by the Commission in terms of the evidentiary requirements. We also acknowledge that the Commission has set the filing date for utilities to file evidence 10 days later than what was proposed in the Draft Preliminary Regulatory Timetable. However, the Companies still regard the filing date, currently set as July 19, as posing significant difficulties. We are, therefore, respectfully seeking to vary the Preliminary Regulatory Timetable set forth in Appendix C to the Order. The FortisBC Utilities propose that the filing of the evidence by Affected Utilities and Other Utilities be set on August 3, 2012 and the timetable for remainder of the proceeding be likewise moved accordingly.

In the normal course, the utility dictates the filing date for an application, and can plan around other regulatory requirements to meet a deadline. A significant filing like the last ROE/Capital Structure proceeding or the one contemplated in this proceeding is typically months, not weeks, in the making. It involves input from a wide variety of people, but there is a core group of individuals internally that must pull it all together, with the necessary external technical expert support. Those internal resources are, by and large, the same people who are also responsible for pulling together all other regulatory-related filings. The Companies manage the filing

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<sup>1</sup> comprised of FortisBC Inc., FortisBC Energy Inc., FortisBC Energy (Vancouver Island) Inc., and FortisBC Energy (Whistler) Inc.

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schedules to ensure that all of the necessary work can be completed efficiently and effectively. The Companies must also consider the availability of our experts and their other commitments.

This proceeding is different from most proceedings as the utilities did not have a sense of the Commission's timetable until relatively recently. The scope of the proceeding was not finalized until last week, approximately 7 weeks before the filing date. The fundamental issue about how the benchmark would be identified and addressed remained unclear to the FortisBC Utilities until the Order was issued on June 1. A significant piece of evidence is being presented later this week in the form of the Consultant's Survey Report to which the Companies and experts will need to consider and will submit information requests (June 22), while at the same time drafting the Companies' evidence (July 19). In the Companies' view, the work is very important and thus more time is required.

The Commission's preliminary timetable delayed the utility evidence filing date by 10 days, but at the same time delayed the Commission's report from May 23 to June 8 (16 days). In other words, the Companies now have *less* time to review the report before filing than contemplated in the draft timetable. Additionally, the Commission added two more years of historical information to the list of requirements (Section 3.2.3). Further, with the responses to a second round of information requests potentially due on July 12 in the Common Rates, Amalgamation and Rate Design proceeding, the Companies' ability to meet the deadline of July 19 for the submission of evidence in this proceeding is severely challenged.

We understand the desire of the Commission to move forward, but it cannot come at the expense of procedural fairness. The GCOC Proceeding is of fundamental importance for the Companies, the Affected Utilities and Other Utilities. It will set the basis upon which the utility shareholder earns a return. The FortisBC Utilities not only are an active participant in the proceeding, but also comprise the majority of the significant utilities affected by the Commission's eventual determination. (See section 2.0 of the Order for a discussion of other Affected Utilities' view of their role in the proceeding). No other participant is prejudiced by the extension, and the process will be better for it.

We appreciate the Commission's willingness to consider our sincere concerns about the fairness of the process.

Yours very truly,

**on behalf of the FORTISBC UTILITIES**

***Original signed by: Shawn Hill***

**For:** Roger Dall'Antonia

cc (email only): Registered Parties