British Columbia Utilities Commission

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FortisBC Energy Inc. May 28, 2016 Workshop Participants

September 20, 2016

FEI ALL-INCLUSIVE CODE OF CONDUCT AND TRANSFER PRICING POLICY EXHIBIT A-3

To: All Parties

Re: FortisBC Energy Inc.
All-Inclusive Code of Conduct and Transfer Pricing Policy
Compliance filing to Order G-65-15

Further to FortisBC Energy Inc.'s (FEI) June 30, 2016 application for the approval of FortisBC Energy Inc.'s draft All-Inclusive Code of Conduct and Transfer Pricing Policy (Application), the British Columbia Utilities Commission (Commission) is requesting submissions on scope and process.

FEI has filed the Application in compliance with Order G-31-15. This Order required the filing of an all-inclusive code of conduct and transfer pricing policy. In the Decision accompanying Order G-31-15 the Commission stated:

> This all-inclusive draft COC and TPP should be modeled on the approved COC and TPP for ARBNNMs. The panel notes that the scope section of the draft COC for ARBNNMs states that it is intended to be consistent with the principles of the RMDM Guidelines, the AES Inquiry Report, and Commission decisions related to specific ARBNMMs. (the "Guidelines" as defined in the draft COC).
>
> The Panel expects that the all-inclusive COC and TPP will also be consistent with the RMDM and AES Guidelines, but acknowledges that some higher level principles will readily apply to a variety of affiliated transactions whereas more specific principles may only be applicable to one or two types of affiliate transactions. When FEI files the draft all-inclusive COC, it is directed to clearly identify the rationale for any variances from the approved COC and TTP for ARBNNMs or from the Guidelines.

The purpose of this proceeding is to determine if FEI has met the requirements set out in Order G-31-15. This proceeding is not intended as a forum to re-open the past decisions of the Commission with respect to codes of conduct and transfer pricing policy. The objective is to consolidate into one document the codes of conduct and transfer pricing policies applicable to the variety of entities with which FEI has affiliate transactions. It is intended to address whether specific principles may only be applicable to some types of affiliate transactions but not to others, including clarifying where and under what conditions the sharing of personnel or resources, may or may not be appropriate based on the principles established in previous Commission decisions, the Retail Markets Downstream of the Meter Guidelines (RMDM) and the Alternative Energy Services Inquiry Report (AES Inquiry).

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The Commission letter dated August 3, 2016 indicated that a procedural conference would be held to provide parties with the opportunity to comment on scope and process. Instead of a procedural conference the Commission requests Interveners provide written submissions on scope and process by Wednesday October 5, 2016 with FEI to provide reply submission by Tuesday October 11, 2016. Attached to this letter is a proposed regulatory process and timetable for reviewing the Application.

Yours truly,

Original signed by:

Laurel Ross

EC/yl
Enclosure
cc: Registered Interveners - FEI 2014 CoC/TPP

PROPOSED REGULATORY TIMETABLE

ACTION	DATE (2016)
Deadline for intervener registration	Wednesday, September 28
Written submissions from Interveners on scope and process and regulatory timetable	Wednesday, October 5
Reply submission from FEI on scope and process and regulatory timetable	Tuesday, October 11
Deadline for Participant Assistance/Cost Award Budget Estimates	Friday, October 14
Information Requests (IRs) No. 1 from BCUC and Interveners	Tuesday, October 18
FEI Responses to IR No. 1	Monday, November 7
If Written Hearing: FEI Final Argument Intervener Argument FEI Reply Argument	 Monday, November 14 Wednesday, November 23 Wednesday, November 30
If Streamlined Review Process	Week of November 21