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Our File No.: 05497-192

June 11, 2009

BY EMAIL AND COURIER

B.C. Utilities Commission
6th Floor, 900 Howe Street, Box 250
Vancouver BC V6Z 2N3

Attention: Erica M. Hamilton
Commission Secretary

Dear Sirs/Mesdames:

Re: British Columbia Utilities Commission (the "Commission")
Project No. 3698545/Order G-30-09
Inquiry into British Columbia's Long-Term Transmission Infrastructure

The Commission, in Order G-47-09, established a Preliminary Inquiry Schedule for the Long-Term Electricity Transmission Requirements Inquiry (the "Transmission Inquiry"). The Preliminary Inquiry Schedule provided for delivery of a Staff Discussion Draft to assist discussion at a workshop to be convened by the Commission on June 18, 2009. The Order requested participants provide written comments on the Staff Discussion Draft by June 11, 2009.

As counsel for FortisBC Inc. ("FortisBC"), a participant in the Transmission Inquiry, I ask you to accept this letter as FortisBC's written comments on the Staff Discussion Draft. FortisBC looks forward to further discussing the Staff Discussion Draft and these comments at the June 18, 2009 workshop and also at the next Procedural Conference to be convened on June 24, 2009.

I propose to divide the comments on the Staff Discussion Draft by reference to the headings in the Draft as follows:

1. Assessment of Generation

- (a) On May 29, 2009, FortisBC filed a 2009 Resource Plan. Although not yet approved by the Commission, FortisBC believes that the recently filed 2009 Resource Plan will be of assistance to the Transmission Inquiry. While the Terms of Reference, in paragraph 3(a)(i), refer to Resource Plans “filed and accepted under the *Act*”, paragraphs 7-10 of the Terms of Reference provide broad directions to the Commission to consider evidence generally. Although it will be recognized that, at present, the 2009 Resource Plan has not been approved by the Commission, FortisBC is of the view that the information contained in the 2009 Resource Plan will be helpful to this inquiry. FortisBC’s last approved Resource Plan is from 2005 which, in FortisBC’s respectful view, would not be of assistance in this inquiry to the same extent.
- (b) In regard to estimating and assessing the approximate cost of generation assets, it is FortisBC’s view that more than Unit Energy Cost \$/MWhr should be considered. It is FortisBC’s view that it would also be helpful to include Unit Capacity Cost of generation assets where applicable.
- (c) In regard to consideration of generation zones or regions, there should also be an assessment of the geographical distances between the generation and the load. It is FortisBC’s submission that it would be helpful to consider the geographic distance between generation and load as a key factor in the assessment of generation zones.

2. Assessment of Demand

- (a) In assessing demand, FortisBC repeats what it has said above as to the importance of considering its recently filed 2009 Resource Plan.
- (b) The Staff Discussion Draft states that consideration of demand created by export opportunities involves a consideration for generation developed for export. FortisBC requests clarification on this matter and, in particular, whether it means that such exports

would first have to be offered in British Columbia at a cost beneficial to British Columbia ratepayers.

3. Assessment of Transmission

- (a) Again, in FortisBC's view, there should be reference in the Staff Discussion Draft to assessment of the interplay between strategically located generation as impacting transmission needs.

4. Areas Inappropriate for Generation Development

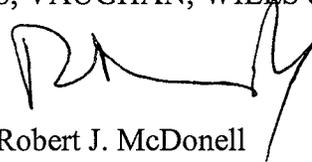
In FortisBC's view, greater certainty and scope should be given to the factors involved in the identification of areas inappropriate for generation development than as presently stated in the Staff Discussion Draft.

Thank you for your consideration of the above. FortisBC looks forward to further review of the scope of the inquiry at the June 18, 2009 workshop and subsequent Procedural Conference.

Yours truly,

FARRIS, VAUGHAN, WILLS & MURPHY LLP

Per:



Robert J. McDonell