May 9, 2011

Via Email

Ms. Alanna Gillis
Acting Commission Secretary
BC Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, BC V6Z 2N3

Dear Ms. Gillis:

Re: FortisBC Residential Inclining Block Rate (“RIB”) Application – Proposed Process

FortisBC Inc. (“FortisBC” or the “Company”) writes in response to the British Columbia Utilities Commission (“BCUC” or the “Commission”) Exhibit A-3 in the above noted matter. With the cancellation of the scheduled Procedural Conference, the Commission has requested submissions from FortisBC and registered Intervenors with respect to a number of procedural matters related to the examination of the Application. The submission of the Company is as follows:

1. The type of review process.

The Company is of the opinion that the Application can be adequately reviewed by way of a written hearing. A written hearing provides a cost effective and timely means of examining all aspects of the Application, providing ample opportunity for the Commission and intervenors to query the Company and provide input. The Company respectfully submits, that the RIB Application, filed in response to Commission Order G-156-10, will not “have significant monetary effects for a broad range of interests, and where there are numerous difficult issues, some of which could have important policy implications”, which are the example situations noted by the Commission as potentially leading to an oral hearing in its Participants’ Guide to the British Columbia Utilities Commission.
The Application, affects the rate design of a single customer class, and is revenue neutral to that customer class, other customer classes and to the Company.

The Company further notes that Nelson Hydro, in its April 5th letter commenting on the proposed regulatory agenda, did not advocate for a change in hearing type among its recommendations. FortisBC did not oppose Nelson Hydro in its submission.

2. **Hearing Location**

FortisBC recommends that should the Commission order any oral process, the location should be in Kelowna. The Okanagan region contains the bulk of the Company’s residential customers. The majority of registered intervenors are either local to the Okanagan, or based in the lower mainland. The presence of the Kelowna Airport provides for easy access to a Kelowna hearing location.

3. **The number of rounds of Information Requests from the Commission and Intervenors**

The Company supports a single round of information requests from both the Commission and intervenors. It believes that one round of information requests should be adequate to fully explore all the information relevant to the Application.

The Company also notes that the Application was filed at the direction of the Commission rather than at the Company’s initiative. The Commission’s direction was preceded by substantial information requests and responses during the COSA/RDA process which can be consulted by the Commission and intervenors in tailoring their present questions.

4. **The filing of evidence by Intervenors**

The Company takes no position on the filing of evidence by Intervenors other than to reserve the right to submit information requests on that evidence should any be filed.

On April 5th, 2011, the Company submitted a proposed regulatory process and timetable in reply to comments received from Nelson Hydro. That timetable is repeated below. The Company maintains the view that this proposed timetable is adequate to fully test the RIB Application. If the Commission nonetheless determines that two rounds of information requests would be appropriate, the Company submits that the options presented by the Commission in Appendix A of Exhibit A-3, Option 1 most closely matches what the Company views as a reasonable process.

- Registration of Interveners and submission of participant funding budgets: Friday, April 15, 2011
- Commission Information Request No. 1 to FortisBC: Friday, April 15, 2011
- FortisBC Responses to Commission Information Request No. 1: Friday, May 13, 2011
Intervener Information Request No. 1 to FortisBC Thursday, May 19, 2011
FortisBC Responses to Intervener Information Request No. 1 Friday, June 17, 2011
FortisBC Written Final Submission Thursday, June 30, 2011
Intervener Written Final Submission Friday, July 8, 2011
FortisBC Written Reply Submission Thursday, July 14, 2011

If further information is required, please contact the undersigned at (250) 717 0890.

Sincerely,

Dennis Swanson
Director, Regulatory Affairs