



LETTER NO. L-9-05

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Log No. 8943

VIA E-MAIL

george.isherwood@fortisbc.com

January 28, 2005

FortisBC Inc.
2005 Revenue Requirements,
2005-2024 System Development Plan
and 2005 Resource Plan

Exhibit No. A-6

Mr. George Isherwood
Director Regulatory Affairs
FortisBC Inc.
1290 Esplanade P.O. Box 130
Trail, B.C. V1R 4L4

Dear Mr. Isherwood:

Re: FortisBC Inc. ("FortisBC")
2005 Revenue Requirements Application
Order No. G-14-05 Exhibit A-4

The Commission Panel has considered your letter of January 27, 2005, which proposes a negotiated settlement process ("NSP") in mid February. While your letter reports that most of the intervenors are supportive of or ambivalent towards the NSP process, the Commission Panel has the following concerns.

FortisBC and its predecessors have gone for many years without a detailed review of the utility operations in an oral public hearing process. In each of the last two Settlements the participants agreed that an oral public hearing was timely and should occur the following year. The Commission believes that it is timely to review the finances and revenue requirement of the new B.C.-based utility in an oral public hearing. Following this detailed review in an oral public hearing and a Commission Decision, it may then be timely to consider a NSP process thereafter.

The Commission Panel is also concerned that the proposed NSP process has been developed at such a late stage in this review of the FortisBC 2005 Revenue Requirements Application, 2005-2024 System Development Plans and 2005 Resource Plan. The NSP process was not considered in any detail at last week's Pre-Hearing Conference.

Finally, the Commission Panel has established four separate technical committees as an adjunct to the oral public hearing process to consider issues associated with the load forecast, demand side management, power purchases, and capital additions. The successful work of these technical committees will go a considerable distance to streamlining the oral public hearing process.

For all these reasons the Commission Panel rejects the FortisBC request for an NSP process this year. The timetable in Order No. G-14-05 remains in place.

Yours truly,

Original signed by:

Robert J. Pellatt

cc: Registered Intervenors/Interested Parties