

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-71-09**

SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. V6Z 2N3 CANADA  
web site: <http://www.bcuc.com>

TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
FACSIMILE: (604) 660-1102



**IN THE MATTER OF  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

**and**

**An Application by FortisBC Inc. for  
Approval of a Revised Code of Conduct and Transfer Pricing Policy and  
Request for Final Approval of the Brilliant Expansion Subcontractor Agreement**

**BEFORE:** L.F. Kelsey, Commissioner  
D.A. Cote, Commissioner June 11, 2009

**O R D E R**

**WHEREAS:**

- A. On July 16, 2008, FortisBC Inc. ("FortisBC") filed an Internal Audit Report, dated July 3, 2008, regarding Code of Conduct and Transfer Pricing Policy, as a confidential filing. In the report FortisBC stated that it would update the Code of Conduct and Transfer Pricing Policy documents, and would file the documents with the British Columbia Utilities Commission (the "Commission") no later than March 31, 2009; and
- B. On August 26, 2008, FortisBC applied to the Commission pursuant to the applicable provisions of the *Utilities Commission Act* (the "Act") and in particular section 60 for an order approving the Subcontractor Agreement dated May 31, 2008 between Fortis Pacific Holdings Inc. ("Fortis Pacific") and FortisBC for the supply of resources to the Brilliant Expansion Power Corporation ("Brilliant Expansion"); and
- C. By Letter L-38-08 dated August 29, 2008, the Commission requested that FortisBC provide additional information to supplement the Internal Audit Report. By letter dated October 3, 2008, FortisBC submitted the requested information; and
- D. On December 18, 2008, the Commission issued Order G-199-08 granting interim approval of the Subcontractor Agreement between Fortis Pacific and FortisBC for the supply of resources to the Brilliant Expansion. The Order also specified that the permanent levels of the terms under the Subcontractor Agreement would be established after Commission review of the updated Code of Conduct and Transfer Pricing Policy Application; and
- E. By letter of February 26, 2009, the Commission requested FortisBC to include particular detailed information as part of its updated Code of Conduct and Transfer Pricing submission; and

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- F. On March 31, 2009, FortisBC submitted its updated Code of Conduct and Transfer Pricing Policy (the "Application") for Commission approval; and
- G. On April 30, 2009, FortisBC filed its 2009 Internal Audit Report regarding Code of Conduct and Transfer Pricing Policy, dated April 27, 2009, as a confidential filing.

**NOW THEREFORE** the Commission orders as follows:

1. The Application will be reviewed by a written hearing process. The Regulatory Timetable will be as described in Appendix "A" to this Order.
2. Subject to the Commission's determination on any request for confidentiality for all or part of the Internal Audit Reports regarding Code of Conduct and Transfer Pricing Policy, dated July 3, 2008 (the "2008 Report") or April 27, 2009 (the "2009 Report"), made by FortisBC pursuant to the Commission's Practice Directive on Confidential Filings (the "Request"), FortisBC is directed to file the 2008 Report and the 2009 Report as part of the proceedings. If FortisBC intends to request confidentiality for all or part of the 2008 and 2009 Reports, it must file the Request on or before Tuesday, June 23, 2009.
3. The written hearing process will include one round of Information Requests from the Commission and Registered Intervenors.
4. Parties wishing to be Intervenors in the review of FortisBC's Code of Conduct and Transfer Pricing Policy Application shall advise the Commission Secretary of their intention to do so, in writing, no later than Thursday, June 18, 2009.
5. FortisBC is directed to send copies of this Order to those parties who were Registered Intervenors in the 2008 Annual Review, 2009 Revenue Requirements and Negotiated Settlement Process.
6. Commission determination concerning the proposed Subcontractor Agreement between Fortis Pacific and FortisBC for the supply of resources to the Brilliant Expansion will be determined after the decision on the Code of Conduct and Transfer Pricing Policy Application.

**DATED** at the City of Vancouver, In the Province of British Columbia, this 12<sup>th</sup> day of June 2009.

BY ORDER

*Original signed by:*

D.A. Cote  
Commissioner

Attachment

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**REGULATORY TIMETABLE**

<b>ACTION</b>	<b>DATE (2009)</b>
Intervenor and Interested Party Registration	Thursday, June, 18
Commission Information Requests to FortisBC	Tuesday, June, 23,
FortisBC Submission re: Confidential Documents	Tuesday, June, 23
Intervenor Information Requests to FortisBC	Tuesday, June, 30
FortisBC Responses to Information Requests	Wednesday, July, 8
FortisBC Final Submission	Wednesday, July, 15
Intervenor Final Submissions	Wednesday, July, 22
FortisBC Reply Submission	Tuesday, July, 28