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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-84-12**

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

and

Generic Cost of Capital Proceeding

BEFORE: D.A. Cote, Commissioner
M.R. Harle, Commissioner June 20, 2012
L.A. O'Hara, Commissioner

O R D E R

WHEREAS:

- A. By Order G-20-12 dated February 29, 2012, the British Columbia Utilities Commission (Commission) established a Generic Cost of Capital (GCOC) Proceeding to review: (a) the setting of the appropriate cost of capital for a benchmark low-risk utility; (b) the possible return to an Return on Equity Automatic Adjustment Mechanism (ROE AAM) for setting an ROE for the benchmark low-risk utility; and (c) the establishment of a deemed capital structure and deemed cost of capital methodology, particularly for those utilities without third-party debt;
- B. By Order G-72-12 dated June 1, 2012, the Commission established, among others, the Final Minimum Filing Requirements for Affected Utilities and the Preliminary Regulatory Timetable for the first stage of the GCOC Proceeding;
- C. On June 5, 2012, FortisBC Utilities (FBCU) wrote to the Commission seeking to vary the Preliminary Regulatory Timetable set forth in Appendix C to Order G-72-12. Specifically, FBCU propose that the filing of the evidence by Affected Utilities and Other Utilities be set on August 3, 2012 instead of July 19, 2012, and that the remainder of the proceeding be adjusted accordingly;
- D. By letter dated June 6, 2012, the Commission invited all parties to make submissions on: (i) FBCU's request for variance of the regulatory timetable as indicated in Recital C, and (ii) an alternative that combines FBCU's request for variance but with the elapsed time between the Second Round of Information Requests (IR) on Affected and Other Utilities' Evidence and Responses to IR No. 2 shortened from three weeks to two weeks;
- E. Submissions were received from Corix Multi-Utility Services Inc., Pacific Northern Gas Ltd., British Columbia Hydro and Power Authority (BC Hydro), Industrial Customer Group, British Columbia Old Age Pensioners' Organization *et al.*, Association of Major Power Customers of BC, and Commercial Energy Consumers Association of British Columbia;
- F. In Reply Submission, FBCU support BC Hydro's view that the Commission does not need to determine the schedule for the second round of IRs until after the Procedural Conference; or in the alternative, the Commission could make up the week lost due to the shortening of the time for responses to IR No. 2, in a manner such that the amended timetable would avoid reducing the time by a full week to respond to Round 2 IRs;

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- G. The Commission Panel has reviewed the submissions and concluded that an amendment to the Preliminary Regulatory Timetable is warranted.

NOW THEREFORE in Reasons for Decision attached as Appendix A to this Order, the Commission orders that the Preliminary Regulatory Timetable for the review of the GCOC Proceeding is amended as set out in Appendix B to this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 20th day of June 2012.

BY ORDER

Original signed by:

D.A. Cote
Commissioner

Attachments

GENERIC COST OF CAPITAL PROCEEDING

REASONS FOR DECISION

INTRODUCTION

The Background to this Proceeding is set out in the Reasons for Decision attached to Order G-72-12. In addition, Appendix C attached to Order G-72-12 set out the Preliminary Regulatory Timetable to review the first stage of the Generic Cost of Capital (GCOC) Proceeding.

By letter dated June 5, 2012, FortisBC Utilities (FBCU) wrote to inform the Commission that the filing date of evidence set for July 19, 2012 poses significant difficulties and propose that the filing of the evidence by Affected Utilities and Other Utilities be set instead on August 3, 2012, and that the timetable for the remainder of the proceeding be adjusted accordingly.

The Commission invited all parties to make submissions on FBCU's request to vary the timetable as well as an alternative timetable that combines FBCU's request for variance but with the elapsed time between the Second Round of Information Requests (IR) on Affected and Other Utilities' Evidence and Response to IR No. 2 shortened from three weeks to two weeks.

SUBMISSIONS

Submissions were received from Corix Multi-Utility Services Inc. (Corix), Pacific Northern Gas Ltd (PNG), British Columbia Hydro and Power Authority (BC Hydro), Industrial Customer Group (ICG), British Columbia Old Age Pensioners' Organization *et al.* (BCOPO *et al.*), Association of Major Power Customers of BC (AMPC), and Commercial Energy Consumers Association of British Columbia (CEC).

Affected and Other Utilities

All the Affected and Other Utilities, namely: Corix, PNG and BC Hydro support FBCU's request to allow additional time for the filing of evidence. Regarding the alternative to reduce the time between the filing of Information Request (IR) No. 2 on Affected Utilities and Other Utilities' Evidence and the Response to IR No. 2, Corix and PNG have no objections. BC Hydro submits that a determination on the timetable for IR No. 2 is not required at this time as it could be determined at the Procedural Conference scheduled to occur after the responses to IR No. 1.

Non-Utility Interveners

All the non-utility interveners also support FBCU's proposed timetable although the ICG's support is contingent on shortening the elapsed time from IR No. 2 to Response to IR No. 2 from three weeks to two weeks. CEC supports both FEU's proposal and the reduction in elapsed time in the final round of IRs. AMPC expresses concern that shortening the schedule may lead to late filing of responses or last minute changes to the schedule and submits that the oral phase, if any, be scheduled for January. This view is supported by BCOAPO and ICG.

FBCU

In Reply, FBCU believe that the view taken by BC Hydro is appropriate in that the Commission does not need to determine this matter relating to the IR No. 2 timetable until the Procedural Conference. In the alternative, FBCU propose to make up the lost week by shortening the time to respond to IR No. 1 by three calendar days and IR No. 2 by two calendar days and shortening the period that parties have to ask IRs on Intervener Evidence by three calendar days. This alternative proposal is made in conjunction with discarding FBCU's earlier proposed adjustments to all subsequent dates after the filing of Affected and Other Utilities' Evidence date is revised to August 3, 2012 from July 19, 2012.

DETERMINATIONS

The Commission Panel understands that the majority of parties wish to leave room to conduct an oral hearing in mid-December, 2012 should there be an oral hearing.

The Commission Panel agrees with AMPC that the predictability of the schedule is extremely important and rejects the suggestion that the dates post-IR No. 2 can be determined at a later date. The Commission Panel therefore revises the Preliminary Regulatory Timetable attached as Appendix C to Order G-72-12 with an Amended Regulatory Timetable that takes into consideration the submissions of the parties and includes the following:

1. A mid-December oral hearing date, should there be an oral phase.
2. A revised date for filing of Affected and Other Utilities' Evidence from July 19, 2012 to August 3, 2012.
3. A two week adjustment to the milestone dates in the original Preliminary Regulatory Timetable for the remainder of the schedule with:
 - a. No shortening of the time to respond to IR No. 1 on Affected and Other Utilities' Evidence;
 - b. The response date to IR No. 2 on Affected and Other Utilities' Evidence shortened by two calendar days;
 - c. No shortening of the time to issue IR No. 1 on Intervener Evidence.

The Amended Regulatory Timetable is attached as Appendix B to this Order.

GENERIC COST OF CAPITAL PROCEEDING

**AMENDED
PRELIMINARY REGULATORY TIMETABLE**

ACTIVITY	DATE (2012)
Issuance of Final Minimum Filing Requirements for Affected Utilities	Friday, June 1
Release of the Commission Consultant's Survey Report	Friday, June 8
Information Requests (IRs) on the Commission Consultant's Survey Report from Utilities and Interveners	Friday, June 22
Response to IRs on Commission Consultant Survey from Commission Consultant	Monday, July 9
Closing of Registration for Intervener and Interested Party Status	Wednesday, July 11
Filing of Evidence by Affected Utilities and Other Utilities	Friday, August 3
Participant Assistance/Cost Award Budget Estimate Deadline	Tuesday, August 7
Commission and Interveners' IR No. 1 on Affected and Other Utilities' Evidence	Friday, August 31
Response to IR No. 1 from Affected and Other Utilities	Monday, Sept 24
Procedural Conference	Tuesday, October 2
Commission and Interveners' IR No 2 on Affected and Other Utilities' Evidence	Tuesday, October 9
Response to IR No. 2 from Affected and Other Utilities	Monday, October 29
Intervener Evidence	Monday, November 5
IR No. 1 on Intervener Evidence	Friday, November 16
Response to IR No. 1 on Intervener Evidence	Friday, November 30
Rebuttal Evidence	Thursday, December 6
Oral Hearing, if any	Wednesday, December 12