



**ORDER NUMBER
G-237-23**

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Utilities Commission
Generic Cost of Capital Proceeding

BEFORE:

D. M. Morton, Panel Chair
A. K. Fung, KC, Commissioner
K. A. Keilty, Commissioner
T. A. Loski, Commissioner

on September 5, 2023

ORDER

WHEREAS:

- A. By Order G-66-21 dated March 8, 2021, pursuant to section 82 of the *Utilities Commission Act*, the British Columbia Utilities Commission (BCUC) established a Generic Cost of Capital (GCOC) proceeding;
- B. By Orders G-66-21, G-156-21, G-183-21, G-205-21, G-231-21, G-281-21, G-288-21, G-106-22, G-217-22A, and G-327-22A, the BCUC established a regulatory timetable and scope for the GCOC proceeding;
- C. The GCOC proceeding is being conducted in two stages. Stage 1 of the GCOC proceeding will determine the allowed return on equity (ROE) and deemed capital structure of FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (collectively, FortisBC). Stage 2 will determine matters related to the Benchmark Utility and establish the cost of capital for other utilities in British Columbia;
- D. By Order G-236-23 and its accompanying decision dated September 5, 2023, the BCUC directed the following:
 - i. For FEI, a deemed equity component of 45.0 percent and an allowed ROE of 9.65 percent, effective January 1, 2023;
 - ii. For FBC, a deemed equity component of 41.0 percent and an allowed ROE of 9.65 percent, effective January 1, 2023;
 - iii. Interim rates are established, effective January 1, 2024, on a refundable or recoverable basis, for all other utilities, except FBC, that currently use the Benchmark Utility to set their capital structure and equity return pending the BCUC's final decision on Stage 2 of the GCOC proceeding;

- E. By Order G-236-23, the BCUC confirmed that Stage 2 of the GCOC proceeding will commence 60 days after the date of Order G-236-23;
- F. In the GCOC Stage 1 Decision dated September 5, 2023, the BCUC indicated that the first step in Stage 2 is to address whether FEI should continue as the appropriate default Benchmark Utility for some or all other utilities in BC, whether FBC is a more appropriate benchmark, whether neither utility should serve as the benchmark, and whether each utility's allowed ROE and deemed capital structure should be individually determined. The BCUC invites parties to file submissions with respect to the benchmark and any appropriate modifications to the scope of Stage 2 of the GCOC proceeding; and
- G. The BCUC finds that establishing a regulatory timetable for Stage 2 of the GCOC proceeding is warranted.

NOW THEREFORE the BCUC orders as follows:

- 1. The regulatory timetable for Stage 2 of the GCOC proceeding is set out in Appendix A of this order.
- 2. The Stage 1 record will form part of the Stage 2 record.
- 3. Utilities and interveners registered for Stage 1 are automatically eligible to participate for Stage 2. They are not required to re-register for Stage 2.
- 4. Other parties that wish to participate as a utility or intervener in Stage 2 of the GCOC proceeding must register with the BCUC by completing a Request to Intervene Form by Friday, November 3, 2023, as established in the regulatory timetable attached as Appendix A to this order and in accordance with the BCUC's Rules of Practice and Procedure.

DATED at the City of Vancouver, in the Province of British Columbia, this 5th day of September 2023.

BY ORDER

Original signed by:

D.M. Morton
Commissioner

British Columbia Utilities Commission
Generic Cost of Capital Proceeding

REGULATORY TIMETABLE

Action	Date (2023)
Utilities and intervener registration*	Friday, November 3
Submissions on benchmark and scope modification	Tuesday, November 14
Reply submissions on benchmark and scope modifications	Monday, December 4
Further process	To be determined

*Utilities and interveners registered for Stage 1 are automatically eligible to participate for Stage 2.
They are not required to re-register for Stage 2.