



ORDER NUMBER
G-172-24

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

and

British Columbia Utilities Commission
Generic Cost of Capital Stage 2

BEFORE:

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

on June 24, 2024

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-236-23 and G-237-23 dated September 5, 2023, the BCUC concluded Stage 1 of the GCOC proceeding and commenced Stage 2 of the GCOC proceeding;
- C. By Orders G-237-23, G-6-24, and G-150-24, the BCUC set the scope and further regulatory timetable for Stage 2 of the GCOC proceeding, which provided for, among other items, two avenues after the utilities' responses to information request (IR) No. 1 to proceed to either IR No. 2 or final arguments; and
- D. The BCUC has reviewed the utilities' responses to IR No. 1 and determines that an amendment to the regulatory timetable is warranted.

NOW THEREFORE the BCUC amends the regulatory timetable as set out in Appendix A of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of June 2024.

BY ORDER

Original signed by:

A. K. Fung, KC
Commissioner

Attachment

British Columbia Utilities Commission
Generic Cost of Capital Stage 2

REGULATORY TIMETABLE

| Action | Date (2024) |
|------------------------------|---------------------|
| Letters of comment deadline | Wednesday, July 10 |
| Utilities' final arguments * | Wednesday, July 17 |
| Intervener final arguments * | Thursday, August 8 |
| Utilities' reply arguments | Thursday, August 29 |

* Please refer to Appendix B for topics to be addressed in final arguments.

British Columbia Utilities Commission
Generic Cost of Capital Stage 2

Topics to be Addressed in Final Arguments

As part of final arguments, the Panel requests all public utilities and registered interveners participating in Stage 2 of the GCOC proceeding to make submissions on the following:

1. Should there be a default equity component and default equity risk premium for rate-regulated thermal energy systems (TES Default)? If not, please explain why. If so, please explain why and respond to the following:
 - a. Should a TES Default be a “minimum TES Default” or simply a “TES Default”? Please include justification.
 - b. What should the TES Default be (e.g. equity component of X% and equity risk premium of X basis points)? Please include justification.
 - c. Should future rate-regulated TES that begin providing service after the conclusion of Stage 2 of the GCOC proceeding be able to automatically adopt the TES Default? Please explain why or why not.
 - d. Should future rate-regulated TES that begin providing service after the conclusion of Stage 2 of the GCOC proceeding be able to request, with justification, a different equity component and equity risk premium to the Default TES? Please explain why or why not.
2. Should the BCUC establish a single deemed interest rate methodology to apply to all public utilities that use a deemed interest rate or should different public utilities be able to apply different deemed interest rate methodologies based on their specific circumstances and evidence? Please include justification.

Public utilities and registered interveners are reminded that final arguments must be based on evidence already on the proceeding record and should not introduce new evidence. The Panel will not take into account in deliberations any new evidence that is introduced in final arguments.