



**ORDER NUMBER
G-322-24**

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

and

British Columbia Utilities Commission
Generic Cost of Capital Stage 3

BEFORE:

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

on November 29, 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 to be completed in two stages. Stage 1 of the GCOC proceeding set the deemed equity component and allowed return on equity (ROE) of FortisBC Energy Inc. and FortisBC Inc. Stage 2 of the GCOC proceeding determined that FortisBC Energy Inc. would act as the benchmark and set the deemed equity component and allowed ROE for all other utilities that use the benchmark in British Columbia;
- B. By Order G-205-21 dated July 7, 2021, the BCUC established that deferral account or regulatory account (both referred to as regulatory account) financing costs would be in the scope of the GCOC proceeding after the completion of Stages 1 and 2 of the GCOC proceeding;
- C. 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;
- D. By Order G-321-24 dated November 29, 2024, the BCUC concluded Stage 2 of the GCOC proceeding and found that commencing Stage 3 of the GCOC proceeding is warranted to review regulatory account financing costs; and
- E. The BCUC finds that establishing a regulatory timetable for Stage 3 of the GCOC proceeding is warranted.

NOW THEREFORE the BCUC orders as follows:

1. The regulatory timetable for Stage 3 of the GCOC proceeding is set out in Appendix A of this order.
2. A request for submissions is set out in Appendix B of this order. Parties that wish to provide submissions to the BCUC on Appendix B must do so by Monday, December 16, 2024.

DATED at the City of Vancouver, in the Province of British Columbia, this 29th day of November 2024.

BY ORDER

Electronically signed by Anna Fung

A. K. Fung, KC
Commissioner

Attachment

British Columbia Utilities Commission
Generic Cost of Capital Stage 3

REGULATORY TIMETABLE

Action	Date (2024)
Letters of comment on Request for Submissions	Monday, December 16
Further process	To be determined

British Columbia Utilities Commission
Generic Cost of Capital Stage 3

Request for Submissions

The BCUC seeks written submissions to establish the scope and regulatory process for Stage 3 of the Generic Cost of Capital proceeding (Stage 3). Please note that at this time, the BCUC is not seeking specific responses to the items outlined below, but rather any pertinent submissions on the scope and regulatory process for Stage 3. Please also note that no determination has been made about whether participant cost awards will be available for Stage 3, including for this request for submissions on scope and regulatory process.

Scope

The scope of Stage 3 is to examine three questions:

1. Should the carrying costs that apply to deferral accounts/regulatory accounts (both referred to as regulatory accounts) be standardized for all rate-regulated public utilities?
2. If yes, how should the carrying costs be standardized (universally applied to all rate-regulated public utilities, by groupings of specific utilities, by type of regulatory account, other)?
3. If no, should the carrying cost be informed by any applicable BCUC guidelines or should the determination rest with future BCUC panels on a case-by-case basis?

The BCUC requests parties' submissions on the above scope of Stage 3, which may include the identification of specific topics or sub-topics that would benefit from the provision of evidence.

Regulatory Process

Given the limited scope of Stage 3, the BCUC anticipates that an expedited review process may be sufficient based on a potential regulatory timetable below. However, parties are invited to provide submissions on further process, which may include an alternative process. Please also discuss in your submission the rationale for your proposed process and the extent to which you plan to participate in Stage 3 (e.g. file letter of comment, register as an intervener if interveners are allowed, file utility-prepared evidence, file expert-prepared evidence, etc.).

Action	Date (2025)
BCUC notice of further regulatory timetable	Tuesday, January 14
Utility evidence	Tuesday, February 4
BCUC Information Request No. 1	Wednesday, February 26
Responses to BCUC Information Request No. 1	Wednesday, March 12
Letters of comment deadline	Wednesday, March 26