



**ORDER NUMBER
G-17-25**

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 January 28, 2025

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 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 return on equity 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;
- E. By Order G-322-24 dated November 29, 2024, the BCUC established a regulatory timetable for Stage 3 of the GCOC proceeding, which included a request for submissions on scope and regulatory process. The BCUC received submission from parties by December 16, 2024;

- F. Following its review of the submissions received, by letter dated December 19, 2024, the BCUC sought further submission from parties on whether to proceed with a comprehensive review of regulatory account financing costs or to close Stage 3 of the GCOC proceeding;
- G. By January 15, 2025, the BCUC received submissions from British Columbia Hydro Power and Authority, Corix (CA) DE Services Limited Partnership, Creative Energy Vancouver Platforms Inc., FortisBC Energy Inc. and FortisBC Inc., Nelson Hydro, Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd., River District Energy, Association of Major Power Customers of BC, and Commercial Energy Consumer Association of British Columbia;
- H. Submissions received from parties generally provide that maintaining the current practice of reviewing carrying costs on a case-by-case basis is effective and support closing Stage 3 of the GCOC proceeding; and
- I. The BCUC has reviewed the submissions received and finds that reviewing carrying costs for non-rate based deferral accounts on a case-by-case basis is appropriate and that further process in Stage 3 of the GCOC proceeding is not warranted.

NOW THEREFORE the BCUC orders that Stage 3 of the GCOC proceeding is closed.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of January 2025.

BY ORDER

Electronically signed by Anna Fung

A. K. Fung, KC
Commissioner