



**ORDER NUMBER
F-5-25**

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

and

British Columbia Utilities Commission
Generic Cost of Capital Stage 3
Participant Cost Award Application

BEFORE:

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

on February 14, 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 Order G-321-24 dated November 29, 2024, the BCUC concluded Stage 2 of the GCOC proceeding and confirmed the scope for Stage 3 would consist only of regulatory account financing costs. The BCUC viewed this as a discrete issue such that the Stage 1 and Stage 2 evidentiary records did not need to be rolled over nor did the intervening parties, although all parties would be able to participate if they choose to do so;
- D. 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. Appendix B to this order noted that no determination had been made about whether participant cost awards would be available for Stage 3, including for the request for submissions on scope and regulatory process. By December 16, 2024, the BCUC received submission from seven parties;

- E. 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. By January 15, 2025, the BCUC received submissions from nine parties;
- F. By Order G-17-25 dated January 28, 2025, the BCUC found that reviewing carrying costs for non-rate based deferral accounts on a case-by-case basis is appropriate and closed Stage 3 of the GCOC proceeding;
- G. The BCUC received one PCA application for Stage 3 of the GCOC proceeding as follows:

Date	Participant	Application
February 5, 2025 (refiled on February 6, 2025)	The Commercial Energy Consumers Association of British Columbia (the CEC)	\$1,289.16

- H. The BCUC has considered the CEC's PCA application in accordance with the criteria and rates set out in the BCUC's Rules of Practice and Procedure and makes the following determination.

NOW THEREFORE pursuant to section 118 of the *Utilities Commission Act*, and for the reasons outlined in the decision accompanying this order, the BCUC denies the CEC's PCA application.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of February 2025.

BY ORDER

Electronically signed by Anna Fung, KC

A. K. Fung, KC
Commissioner

DECISION

1.0 Background

In March 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. The BCUC in Stage 1 of the GCOC proceeding set the deemed equity component and allowed return on equity of FortisBC Energy Inc. and FortisBC Inc. The BCUC in 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.¹

In July 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 (Stage 3 of the GCOC proceeding).²

In November 2024, the BCUC concluded Stage 2 of the GCOC proceeding and confirmed the scope for Stage 3 would consist only of regulatory account financing costs. The BCUC viewed this as a discrete issue such that the Stage 1 and Stage 2 evidentiary records did not need to be rolled over nor did the intervening parties, although all parties would be able to participate if they choose to do so.³

At the same time, 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 noted that no determination had been made about whether participant cost awards would be available for Stage 3, including for the request for submissions on scope and regulatory process.⁴ By December 16, 2024, the BCUC received seven submissions.

In December 2024, following its review of the submissions received, the BCUC sought further submission on whether to proceed with a comprehensive review of regulatory account financing costs or to close Stage 3 of the GCOC proceeding.⁵ By January 15, 2025, the BCUC received nine submissions.

In January 2025, the BCUC found that reviewing carrying costs for non-rate based deferral accounts on a case-by-case basis is appropriate and closed Stage 3 of the GCOC proceeding.⁶

2.0 Legislative Framework

Section 118(1) of the *Utilities Commission Act* provides that “the BCUC may order a participant in a proceeding before the BCUC to pay all or part of the costs of another participant in the proceeding.”⁷

¹ Order G-66-21 dated March 8, 2021.

² Order G-205-21 dated July 7, 2021.

³ Order G-321-24 dated November 29, 2024.

⁴ Order G-322-24 dated November 29, 2024, Appendix B.

⁵ Exhibit A-2, Letter dated December 19, 2024.

⁶ Order G-17-25 dated January 28, 2025.

⁷ UCA, RSBC 1996, c 473.

Part VI of the BCUC Rules of Practice and Procedure (Rules) sets out rules related to participant cost awards (PCA).⁸ The Rules stipulate the eligibility requirements and criteria used in assessing cost awards, including the process for applying for a cost award, eligible costs, and rates in BCUC proceedings.

Rule 31.01 defines “participant” as: (a) an applicant in a proceeding; or (b) a party that has been granted intervener status in a proceeding.

Rule 32.01 states: “The BCUC may, in a proceeding, award costs to a participant or participants, determine the amount of such award, if any, and order a participant or participants to pay all or part of the costs of another participant or participants.”

Rule 33.01 states that a “participant” is eligible for a cost award in a proceeding.

3.0 PCA Application

The CEC was the only party to file a PCA application for Stage 3 of the GCOC proceeding. The CEC’s PCA application was originally filed on February 5, 2025 and updated on February 6, 2025 for a total amount of \$1,289.16.

Panel Determination

The Panel notes that unlike Stage 2 of the GCOC proceeding, which included interveners that participated extensively in the process, Stage 3 of the GCOC proceeding did not include interveners. Rather, Stage 3 of the GCOC proceeding only involved limited submissions on what the scope and nature of the process, if any, should be. Following these submissions, the Panel found that that reviewing carrying costs for non-rate based deferral accounts on a case-by-case basis was appropriate and ordered Stage 3 of the GCOC proceeding to be closed without the need for further process. The Panel had also signalled earlier to parties that availability for cost awards was not certain for Stage 3 of the GCOC proceeding, including for the request for submissions on scope and regulatory process.

With respect to the CEC’s PCA application, the Panel finds that the CEC is not eligible for a cost award pursuant to Rules 31.01, 32.01, and 33.01. Rule 31.01 defines the term participant to mean either an applicant or an intervener. The CEC was neither, since as noted, Stage 3 of the GCOC proceeding was closed following limited submissions on scope and process and there were ultimately no interveners. We are not persuaded that there are any circumstances present that would justify deviating from the eligibility criteria set out in the Rules.

Therefore, the BCUC denies the CEC’s PCA application.

⁸ Order G-296-24 dated November 14, 2024.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of February 2025.

Electronically signed by Anna Fung, KC

A. K. Fung, KC
Panel Chair/Commissioner

Electronically signed by Karen Keilty

K. A. Keilty
Commissioner

Electronically signed by Tom Loski

T. A. Loski
Commissioner