

25th Floor
700 W Georgia St

Vancouver, BC
Canada V7Y 1B3

Tel 604 684 9151
Fax 604 661 9349

www.farris.com

Reply Attention of: Ludmila B. Herbst, Q.C.
Direct Dial Number: (604) 661-1722
Email Address: lherbst@farris.com

Our File No.: 05497-0259

September 17, 2018

BY EMAIL

British Columbia Utilities Commission
410 – 900 Howe Street
Vancouver, BC V6Z 2N3

**Attention: Patrick Wruck
Commission Secretary**

Dear Mr. Wruck:

**Re: FortisBC Inc. – 2017 Cost of Service Analysis and Rate
Design Application – Project No. 1598939 – Submission
Request on Further Process**

We write on behalf of FortisBC Inc. (“FBC”) in connection with further process in this matter. This correspondence deals with whether there should be (1) an oral hearing and/or (2) oral argument, and (3) if so, where either or both should occur.

1. There should not be an oral hearing

Further to our submissions at the procedural conference held in this matter on March 6, 2018, we remain of the view that an oral hearing is neither required nor appropriate given the nature of the issues in this proceeding. Rather, the evidentiary record should be closed and the participants should proceed directly to final written argument.

The written record is substantial and there is no further information by which it should be supplemented. The participants have had extensive opportunities both to provide evidence and to ask questions on filed evidence, including through two rounds of information requests directed to FBC and one round of information requests directed to interveners who filed evidence. In total FBC alone responded to 1,858 information requests.

A written process was precisely the right forum in which to complete the evidentiary record given the nature of the issues involved in this application. The detail and computation required do not lend themselves to an oral hearing process.

The matters on which participants disagree (notably appropriate rate structures and/or how quickly proposed structures should be implemented) are matters of argument.

Though cost is not in and of itself determinative, the regulatory burden of an oral hearing should not be incurred unless warranted, and it is not warranted here.

As FBC advised in its letter of September 12, 2018 (Exhibit B-35), FBC did not consider it necessary to use its opportunity to file rebuttal evidence. At this point, as noted above, the evidentiary record should be closed in order to proceed to final written argument.

2. Written arguments should be exchanged

With respect to the form of argument that should be used, the subject matter of this proceeding is suited to written submissions from interveners as well as FBC. There should not be an oral argument phase.

The Commission's September 10, 2018 correspondence (Exhibit A-17) recognized written argument to be suitable as it contemplates written argument being filed by FBC. There is no difference in this regard between the applicant and interveners: all participants are dealing with the same application, giving rise to the same issues.

Further, just as in the case of FBC, all the interveners in this proceeding are represented by legal counsel or by individuals who have been involved in numerous regulatory processes and/or who have otherwise demonstrated in the course of the process to date their ability to articulate their positions in writing.

This proceeding is well suited simply to written submissions, for all the reasons outlined above. FBC would propose that its written argument be filed three weeks after the Commission's procedural order, followed by written intervener submissions two weeks after the deadline for the FBC filing and written FBC reply two weeks after the deadline for the intervener filing.

FBC will review intervener submissions and address in its reply (1) any suggestions for oral argument if made; and (2) in light of how framed, the appropriate process were the Commission to consider any such suggestion.

3. Where an oral hearing or oral argument phase, if any, should be held

If there is to be any oral component, we suggest that it occur in Kelowna, given that is FBC's service territory and where FBC is based. Certainly if an oral evidentiary hearing were to occur, a significant number of FBC personnel who would need to be at the hearing to provide evidentiary support are also based in Kelowna. However, we do not have a strong view on this, and proceeding in Vancouver would also be acceptable given:

1. that Commissioners, Commission staff, Allwest and participants' legal counsel are based in the Vancouver area;
2. the experience at the March 2018 procedural conference in Kelowna, which various interveners did not attend in person (BCSEA, ICG/Celgar, KSCA, Village of Kaslo) or at all (BCOAPO), and where there were certain technical difficulties for those who attended by telephone;

September 17, 2018

- 3 -

F A R R I S

3. the fact that certain participants have criticized even events held in Kelowna as still not close enough to various FBC customers;
4. certain of the FBC staff who would be in attendance are also based in the Vancouver area; and
5. FBC's expert consultants need to travel to an oral evidentiary hearing whether it is in Kelowna or Vancouver.

Yours truly,

FARRIS, VAUGHAN, WILLS & MURPHY LLP

Per:

Ludmila B. Herbst, Q.C.

LBH/trw

c.c.: Registered interveners
FortisBC Inc.