

I.M.E.U.

Interior Municipal Electrical Utilities
Cities of Kelowna, Penticton, Grand Forks, District of Summerland, Nelson Hydro

Suite 101, 310 Ward Street, Nelson, British Columbia, V1L 5S4

• Phone: (250) 352-8212 • Facsimile: (250) 352-6417 •

Email: alove@nelson.ca

September 22, 2008

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, BC
V6Z 2N3

Via Email: Commission.Secretary@bcuc.com

Attention: Erica M. Hamilton
Commission Secretary

Dear Ms. Hamilton:

Re: *IMEU Final Submission for:*

FortisBC Inc.

Project No. 3698519 / Order No. G-109-08

***Application for Approval of the 2009-2010 Capital Expenditure Plan, and
Review of the 2009 System Development Plan Update,***

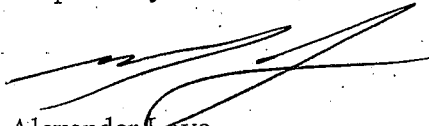
The IMEU has overall agreement with the Capital Expenditure plan 2009/10 on the basis of this work being required for system reliability. While the IMEU can not provide comment on each planned project, the IMEU does agree specifically with the:

- 20 and 27 Line rebuilds for purposes of improved reliability,
- AMI upgrade for purposes of reduced operating expenses, and
- OTR for improved reliability.

The primary concern of the IMEU is that of rate impact. We understand that the 2009/10 CEP will cause upward pressure on rates of 14+% over two or more years. We also understand that there will be offsetting factors such as reduced operating expenses and load growth. It is thus unclear at this time what the final effect on rates will be. Rate increases in excess of 5% annually are of great concern to the IMEU.

The IMEU therefore recommends that during this period of increased expenditure due to the OTR that wherever possible other capital projects be deferred so as to minimize rate impact and allow the load growth to occur before capital expense is incurred to the greatest degree possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alexander Love", written over a horizontal line.

Alexander Love
On behalf of IMEU

c: IMEU members