

October 1, 2009

Via Email
Original via Mail

Ms. Erica M. Hamilton
Commission Secretary
BC Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, BC V6Z 2N3

Dear Ms. Hamilton:

Re: FortisBC Inc.'s Preliminary 2010 Revenue Requirements Application for Approval Pursuant to Sections 60 and 61 of the Utilities Commission Act

Please find enclosed for filing 20 copies of the materials entitled "Preliminary 2010 Revenue Requirements". These materials are being filed in accordance with the Negotiated Settlement Agreement reached between FortisBC Inc. ("FortisBC" or "the Company") and a group of Stakeholders, and approved on May 23, 2006 by Commission Order G-58-06 ("the 2006 NSA"), and the extension of the Performance-Based Regulation Plan to December 31, 2011, approved by Commission Order G-193-08 (the "2009 NSA").

The Company will hold its 2009 Annual Review on November 17, 2009 commencing at 9:00 a.m., at the Delta Grand Okanagan Resort and Conference Centre, 1310 Water Street, in Kelowna, BC. The Annual Review is required to compare the Company's performance for the year to the approved targets for the Performance Standards and to determine the Company's eligibility to an incentive payment.

A Workshop will be held following the Annual Review to review the Preliminary 2010 Revenue Requirements materials. The financial information contained in this Application is based on results as of July 31, 2009 and forecasts to year end. On or before November 2, 2009, FortisBC will file updates to the 2009 and 2010 forecasts incorporating actual results to September 30, 2009. A Negotiated Settlement Process to set rates for the upcoming year will take place on November 18, 2009 at the same venue, at a time to be determined following the 2010 Revenue Requirements Workshop.

FortisBC is seeking a general rate increase effective January 1, 2010 of 4.6 percent to cover increased revenue requirements, as stated in the Preliminary 2010 Revenue Requirements materials, subject to a Settlement Agreement arising out of the November 18, 2009 Negotiated Settlement Process. The rate increase is driven primarily by the costs of

