

September 26, 2011

Regulatory Affairs Correspondence
Email: gas.regulatory.affairs@fortisbc.comBritish Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3Attention: Ms. Alanna Gillis, Acting Commission Secretary

Dear Ms. Gillis:

Re: FortisBC Energy Utilities¹ (“FEU” or the “Companies”) 2012 and 2013 Revenue Requirements and Natural Gas Rates Application (the “Application”)
Witness Panels, Allocation of Evidence and Opening Statement

On May 4, 2011, the FEU filed the Application referenced above. On July 20, 2011, the British Columbia Utilities Commission (the “Commission”) issued Order No. G-129-11 setting October 3, 2011 for the commencement of the Oral Public Hearing to review the Application.

The Companies intend to call four Witness Panels. Attached is a list of the Panels, with Witnesses identified by name, in the order they will appear.

We have included on that list reference to the general areas of testimony by Panel, and references to sections of the Application that address those topics. However, this should only be used as a guide as there will inevitably be some overlap. If in doubt, parties can ask questions of the Finance Panel first, and they can redirect the question if necessary. Alternatively, the Companies would be pleased to provide assistance to parties “off line” regarding which Witness Panel can address questions on specific topics.

Also attached is the Direct Testimony of the FEU’s twelve company witnesses and one expert witness.

John Walker, the President and CEO of the FEU, is sitting as the first Witness Panel and will make an opening statement. A copy of Mr. Walker’s opening statement is attached.

¹ FortisBC Energy Inc. (“FEI”), FortisBC Energy (Vancouver Island) Inc. (“FEVI”), FortisBC Energy (Whistler) Inc. (“FEW”), and FortisBC Energy Inc. Fort Nelson Service Area (“Fort Nelson”)

Legal counsel for the FEU also expects to make brief opening remarks on the first day of the hearing, prior to calling the first Witness Panel.

Yours very truly,

on behalf of the FORTISBC ENERGY UTILITIES

Original signed:

Diane Roy

Attachments

cc: Registered Parties

**FortisBC Energy Utilities (“FEU”)
2012-2013 REVENUE REQUIREMENTS AND NATURAL GAS RATES APPLICATION**

WITNESS PANELS

Panel 1 – Policy Panel

John Walker

Panel 2 – Finance, Rates and Energy Supply Panel

Scott A. Thomson (Panel Chair)

Roger A. Dall’Antonia

Cynthia Des Brisay

Diane Roy

Larry E. Kennedy (Expert)

**Panel 3 – Energy Solutions and Energy Efficiency
and Conservation Panel**

Doug Stout (Panel Chair)

David A. Bennett

Sarah Smith

Panel 4 – Operations Panel

Dwain Bell (Panel Chair)

Tom Loski

Jody Drope

David Legge

**FortisBC Energy Utilities (“FEU”)
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AREAS OF TESTIMONY

| Panel 1 – Policy Panel |
|--|
| Corporate Outlook, Strategy and Policies |

| Panel 2 – Finance, Rates and Energy Supply Panel | |
|--|---|
| Topics | Application Sections* |
| <ul style="list-style-type: none"> • Finance Policy • Regulatory Policy • Allocation of costs between classes of service • Core Market Administration • Corporate Services • Deferrals • Depreciation • Energy Supply • Financial Forecasting • Financial Treatment of EEC expenditures • Financing • Gas Portfolio • Negative Salvage • Rate Base • Resource Development • Revenue Requirements and Rate Calculations • Shared Services • Unrecovered Depreciation (Asset Losses) | <ul style="list-style-type: none"> • Sec. 1 • Sec. 1.2.5 • Sec. 3.1.1 • Sec. 3.1.2 • Sec. 3.1.4 • Sec. 3.2 – 3.4 • Sec. 5.2 • Sec. 5.3.1 – 5.3.4 • Sec. 5.3.6 • Sec. 5.3.15 - 5.3.18 • Sec. 5.4 • Sec. 5.5.2 - 5.5.4 • Sec. 5.5.7 • Sec. 5.6 • Sec. 5.7 • Sec. 6.1 • Sec. 6.3 • Sec. 7 • Sec. 8 • Appendices E1 - E3 • Appendix G • Appendices L-2 & L-3 • Evidentiary Updates |

* Includes the Application (Exhibit B-1), and all Updates and Amendments thereto, and all related IRs

**FortisBC Energy Utilities (“FEU”)
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| Panel 3 – Energy Solutions and Energy Efficiency and Conservation Panel | |
|--|--|
| Topics | Application Sections* |
| <ul style="list-style-type: none"> • Energy Policy • Demand Forecasting • Energy Efficiency and Conservation EEC Programs • Energy Efficiency and Conservation (“EEC”) Policy¹ • External Relations • New Initiatives • Safety and Reliability Communications • System Extensions | <ul style="list-style-type: none"> • Sec. 1.2.2 - 1.2.4 • Sec. 4 • Sec. 5.3.8 • Sec. 5.5.5 • Sec. 5.5.6 • Appendix C • Appendix I • Appendix J • Appendix K |
| ¹ Note that issues relating to financial treatment of NGV incentives and EEC should be directed to Panel 2 | |

| Panel 4 – Operations Panel | |
|--|---|
| Topics | Application Sections* |
| <ul style="list-style-type: none"> • Asset Management • Customer Care Enhancement CPCN Project • Customer Service Operational • Customer Service Policy • Environment, Health & Safety • Facilities • Human Resources • Information Technology • Operations (Transmission and Distribution) | <ul style="list-style-type: none"> • Sec. 1.2.1 • Sec. 3.1.3 • Sec. 5.3.2.5 • Sec. 5.3.4 • Sec. 5.3.5 • Sec. 5.3.5.1 • Sec. 5.3.7 • Sec. 5.3.9 - 5.3.14 • Sec. 6.2.2 – 6.2.6 • Appendix F-1 • Appendix H |

* Includes the Application (Exhibit B-1), and all Updates and Amendments thereto, and all related IRs

**FortisBC Energy Utilities (“FEU”)
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OPENING STATEMENT OF MR. JOHN WALKER

Good Morning Mr. Chairman, Commissioners, Ladies and Gentlemen. My name is John Walker and I am President and Chief Executive Officer of the FortisBC Energy Utilities, who are the applicants in this proceeding. This is my first time appearing before this Commission, and it's my pleasure to be here today to answer the questions that you may have about our Application. But before I take questions, I'd like to spend a moment providing a backdrop to our requests in this application.

The Fortis Energy Utilities are part of a larger family of regulated companies, which I have been involved in since the beginning of my career. Fortis Inc. takes a long-term approach to its utility business. When I say long-term, I mean that we have been operating successfully and continually in this business since 1885, and we believe the shareholder's interest is best served in the long-term by ensuring that our customers are satisfied. Achieving and maintaining customer satisfaction requires us to adapt and change over time. Customer satisfaction is achieved by providing good value to our customers. Value is provided through a combination of price, responsiveness to needs, communication, innovation, and reputation. The Fortis philosophy is, at its core, the same everywhere that we operate in Canada and abroad. Our objective is to deliver the energy products and services that our customers want, in a safe, reliable manner, at fair and reasonable rates. We believe that in order to meet this objective we must build strong long-term relationships with our customers, regulators and other stakeholders based on mutual respect and transparency.

In 2010 we created a combined management team and Board of Directors within the Fortis gas and electric utilities in British Columbia. Bringing the Fortis British Columbia companies together under common management enables us to align and continue to build these core values and principles into the organizations which will allow us to better anticipate and meet our customers' needs in a changing environment.

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This revenue requirement deals with, in the broadest sense, how we intend to continue to meet our service requirements in 2012 and 2013, and position ourselves to be able to continue to provide service in a manner which our customers expect going forward.

We are experiencing some significant changes in our operating environment. For the past several years, the energy sector has been a key area of focus of Government policy that has placed significant emphasis on greenhouse gas emission reduction, energy efficiency and sustainability. Going forward, these will remain important considerations balanced against energy and economic realities. At the same time, there are more energy choices available. Consumers and industry are more aware of available energy options, and customers are becoming more sophisticated about their understanding of energy and how they use it. Some of these customers, such as municipalities and other government-related entities, are directly influenced by policy and must look for energy solutions that achieve specific objectives within this new policy context. There are other customers that, for their own reasons, place importance on sustainability and lowering their environmental impact as well as cost. We must be aware of these developments and help our customers respond to them.

It is important, however, to keep in mind that these Provincial policy initiatives that I have just discussed were initially formulated at a time when the world looked very different than it does today. At that time, provincial, national and world economies were growing at a tremendous rate and there was a greater sense of prosperity. In a very short period of time circumstances have changed greatly. Some of the principles upon which those policies were based have been strained, and we are seeing changes that may have significant ramifications for our customers and our Companies. The economic downturn that began in 2008 persists, and is challenging government’s ability to fund initiatives in the face of many capital priorities. The economic climate is also presenting economic challenges for energy consumers in our Province, and is also affecting the ability of governments to invest in alternative energy technologies and greenhouse gas reduction measures. At the same time, the development of an abundant supply of Shale Gas in BC and in North America, resulting in historically low prices for natural gas, reinforces the role that natural gas can play as part of the overall energy picture. Utilities like the FEU have a role to play in providing information, leadership and solutions to help our customers navigate through this evolving energy picture.

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To that end,

- In 2010 we obtained Commission approval to in-source customer care, providing us with direct control over our customer relationship. That comes with added flexibility to offer new services to customers and local employees that will put greater emphasis on customer service. In essence, the Customer Care Enhancement project positions us to provide customers with energy-related information and new services.
- In response to customer demand, we have obtained approval for Biomethane service, fueling service for Natural Gas Vehicles, and thermal energy service. These initiatives are in line with Provincial policy, offer our customers options for gas supply, and provide a means to ensure that natural gas remains a fundamental part of the energy picture in British Columbia.
- We have continued to fund Energy Efficiency and Conservation, or EEC, activities. EEC provides financial incentives and education that help customers better understand their energy options and manage their energy costs, while reducing GHG emissions.
- We adopted the FortisBC name for the gas businesses, and are operating under combined leadership, which are important steps as we consider potential integration with the electric utility. We strive to build a common value system, and present a consistent approach to dealing with our customers and key stakeholders.

It is perhaps stating the obvious to say that ongoing investment is required to sustain safe and reliable service and to provide services that customers want. For the two year revenue requirement period we are seeking delivery rate increases in FEI and FEW totaling just under 12%, in Ft. Nelson totaling 8.3%, and in FEVI a continued rate freeze. For an average Lower Mainland residential customer, this will result in an annual bill increase of approximately 3% or \$30. The key items driving the 11.9% delivery rate increase for FEI, for example, are as follows:

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- Approximately 5.2% of the increase is due to costs associated with meeting Commission-approved commitments. These include the Customer Care Enhancement Project (2.2%); the Fraser River HDD, Kootenay River HDD, and Tilbury land purchase CPCNs (0.5%), and other existing approved deferrals (2.5%).
- Approximately 2% of the increase is due to inflation, including 1% attributable to labour inflation.
- Approximately 2.5% of the 11.9% increase is due to required changes to depreciation rates and to properly allocate the costs to remove our assets (net negative salvage).
- This means that approximately 2% of the forecast increase in delivery rates over the two year period – an increase which would represent only about a 1% bill increase on average to customers (or \$10) – is attributable to new spending.

We are aware of the economic challenges that some of our customers contend with on a daily basis. We have carefully considered our requests for new funding before putting them forward. We have only proposed initiatives that we believe are important. In particular:

- Much of this 2% of new spending is required to comply with changes in codes and regulations and to assess priorities for addressing our aging system assets. You will hear from our Operations, IT and HR Panel about how we have managed these costs.
- The 2% also includes the cost of service related to \$20 million per year of EEC expenditures, which is an incremental increase of \$3 million over the approximately \$17 million that we expect to spend this year. Conservation is very important to our customers, and \$20 million is needed to maintain our existing portfolio for the benefit of customers. In addition, we have requested the flexibility to spend up to an additional \$45M per year to target the cost-effective opportunities for energy savings that have been identified through studies performed to date. Customers will only pay for the funding above \$20 million that we actually spend.
- The 2% also includes the funding we require to pursue traditional natural gas load as well as continue to undertake initiatives like Biomethane and NGV.

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While the thermal energy offering has attracted a lot of attention, it is worth reinforcing that the financial implications of our thermal energy offerings on the 2012-2013 natural gas revenue requirements is limited to the allocation of \$500,000 in overhead costs to the thermal energy class of service that would otherwise have been borne by natural gas customers and does not form part of the increase in rates for our natural gas customers. Direct costs incurred in support of thermal energy operations are direct-charged to thermal energy and are not part of the revenue requirement request for natural gas customers. The Finance Panel can address in more detail both the thermal energy cost allocation and the impact of NGV on delivery rates.

I will conclude by saying that the changing economic environment, shifting energy and environmental policy and changing customer priorities combine to create uncertainty for our business. But ultimately I believe that we will be successful if we stay true to the basic principle that we must anticipate and respond to the expectations of our customers. The FortisBC Energy Utilities have long provided a significant portion of the energy consumed in this Province. In a future characterized by increasing energy choices, customers will choose to do business with us because we are providing energy safely, reliably, cost-effectively and sustainably, and communicating with them about energy options in a manner consistent with their expectations. The proposed rates for 2012 and 2013 will permit us to continue meeting those expectations.

Mr. Chairman and Commissioners, the evidentiary record in this proceeding is extensive. We welcome the opportunity to assist you in exploring it and answering any questions you may have.

Thank you.

**FortisBC Energy Utilities (“FEU”)
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Direct Testimony of John C. Walker

Q1. *Please state your name and present position with the FortisBC Energy Utilities.*

A. My name is John Colin Walker. I am the President and CEO of the FortisBC Energy Utilities, as well as Present and CEO of the BC Utilities owned and operated by Fortis Inc.

Q2. *How long have you held that position?*

A. Since 2010.

Q3. *What, if any, previous positions have you held with the FortisBC Energy Utilities (previously Terasen Gas)?*

A. None.

Q4. *What positions did you hold prior to joining the FortisBC Energy Utilities and with whom?*

A. From 2005 through 2010 I held the position of President and Chief Executive Officer with FortisBC Inc; from 1996 to 2005 I held the position of President and CEO of FortisProperties Inc., and from 1989 to 1996 I was with Fortis Properties. From 1983 to 1989, I was with Newfoundland Power.

Q5. *What are your professional qualifications?*

A. I have a Bachelor of Science, Honours and an MBA from Memorial University of Newfoundland.

Q6. *Have you previously testified before this Commission?*

A. No.

Q7. *What role did you play in the development of this application?*

A. My role in preparation of this Application related to providing policy guidance.

Q8. *Does this complete your direct testimony?*

A. Yes.

**FortisBC Energy Utilities (“FEU”)
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Direct Testimony of Scott A. Thomson

Q1. *Please state your name and present position with the FortisBC Energy Utilities.*

A. My name is Scott Alexander Thomson. I am the Executive Vice President, Finance, Regulatory and Energy Supply for the FortisBC Energy Utilities, and Executive Vice President, Finance, Regulatory and Energy Supply and Chief Financial Officer for FortisBC Holdings Inc.

Q2. *How long have you held those positions?*

A. Since 2010.

Q3. *What, if any, previous positions have you held with the FortisBC Energy Utilities (previously Terasen Gas)?*

A. Previously, I held positions as Business Leader, EDS Finance & Admin in 1999. In 2002, I held the position of Controller & Director, Finance & Strategic Planning, from 2003 to 2007, I held the position of Vice President, Finance & Regulatory Affairs and, from 2007 to 2010, I held the position of Vice President, Regulatory Affairs & CFO.

Q4. *What positions did you hold prior to joining the FortisBC Energy Utilities and with whom?*

A. From 1986 through 1999 I held the positions of Chartered Accountant, Manager of Consulting Services, and Principal, Corporate Consulting with Ernst & Young.

Q5. *What are your professional qualifications?*

A. I am a Chartered Accountant, and hold an Honours BA in Business Administration (HBA) from the University of Western Ontario.

Q6. *Have you previously testified before this Commission?*

A. Yes.

Q7. *What role did you play in the development of this application?*

A. My role in the preparation of this Application related primarily to overseeing the determination of the FEU's revenue requirements. I approved this Application for filing and I provided policy guidance, coordination, drafting and review of evidence and IRs on matters relating to policy, regulatory strategy and history, accounting approaches, utility amalgamation and strategy. I am the Chair of the Finance and Energy Supply Panel and I have overall responsibility for the evidence relating to regulatory policy, management structure, organizational performance and approvals sought.

Direct Testimony of Scott A. Thomson

Q8. *Does this complete your direct testimony?*

A. Yes.

**FortisBC Energy Utilities (“FEU”)
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Direct Testimony of Roger A. Dall’Antonia

Q1. *Please state your name and present position with the FortisBC Energy Utilities.*

A. My name is Roger Atillio Dall’Antonia. I am the Vice President, Finance & CFO for the FEU and I am also the Vice President, Finance and Treasurer for FortisBC Holdings Inc.

Q2. *How long have you held those positions?*

A. Since July 2010.

Q3. *What, if any, previous positions have you held with the FortisBC Energy Utilities (previously Terasen Gas)?*

A. From November 2007 to July 2010, I held the position of Vice President, Corporate Development and Treasurer of the FEU as well as FortisBC Holdings Inc. (previously Terasen Inc.); from January 2006 to August 2006, I held the position of Vice President, Treasurer for the gas utilities; and from June 2004 through December 2005, I held the position of Assistant Treasurer of FortisBC Holdings Inc.’s (previously Terasen Inc.).

Q4. *What positions did you hold prior to joining the FortisBC Energy Utilities and with whom?*

A. From 1993 through 2002 I held various treasury and corporate finance positions with Westcoast Energy Inc. and from 2006 to 2007, I was Vice President, Investor Relations and Treasury for Versacold Income Fund.

Q5. *What are your professional qualifications?*

A. I have an MBA from University of Western Ontario, a BBA from Simon Fraser University and hold a Chartered Financial Analyst designation.

Q6. *Have you previously testified before this Commission?*

A. Yes.

Q7. *What role did you play in the development of this application?*

A. My role in the preparation of this Application related primarily to providing oversight and guidance on preparation of certain financial matters related to the FEU’s revenue requirements. I provided policy guidance and review of evidence and IRs on certain matters relating to accounting policy, the adoption of US GAAP, corporate services and shared services allocations, financing costs and Return on Equity. I have responsibility for the evidence relating to adoption of US GAAP, Corporate and Shared Services, Financing Costs and Return on Equity.

Direct Testimony of Roger A. Dall'Antonia

Q8. *Does this complete your direct testimony?*

A. Yes.

**FortisBC Energy Utilities (“FEU”)
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Direct Testimony of Cynthia Des Brisay

Q1. *Please state your name and present position with the FortisBC Energy Utilities.*

A. My name is Cynthia Des Brisay. I am the Vice President, Energy Supply and Resource Development for the FortisBC Energy Utilities and FortisBC (Electric Division).

Q2. *How long have you held that position?*

A. Since February 2011.

Q3. *What, if any, previous positions have you held with the FortisBC Energy Utilities (formerly Terasen Gas)?*

A. I have been employed by the FEU since July 1999. From July 2010 to February 2011, I was Vice-President Energy Supply & Gas Transmission; from May 2008 to July 2010, I held the position of Vice President, Gas Supply and Transmission; from 2006 through May 2008, I held the position of Director, Business Development and Resource Planning; from 2004 to 2006, I held the position of Director, Business Development; from 2000 to 2004, I held the position of Business Leader, Project Development; and from 1999 to 2000, I held the position Manager, Project Development.

Q4. *What positions did you hold prior to joining the FortisBC Energy Utilities and with whom?*

A. From 1992 through 1999 I held the positions of Manager, Project Development, International Development Manager, and Senior Project Analyst with Fletcher Challenge Energy in Vancouver and New Zealand. From 1982 to 1989 I held various engineering and commercial positions at Norcen Energy Resources Limited in Calgary.

Q5. *What are your professional qualifications?*

A. I have an Applied Science degree in Engineering Chemistry from Queens University (1982) and a Masters in Business Administration from the University of British Columbia (1992).

Q6. *Have you previously testified before this Commission?*

A. Yes.

Q7. *What role did you play in the development of this Application?*

Direct Testimony of Cynthia Des Brisay

- A.** My role in the preparation of this Application related primarily to gas supply and resource development matters. I provided policy guidance, coordination, drafting and review of evidence and IRs on matters relating to costs associated with managing the gas supply portfolio and resource development. I have responsibility for the evidence relating to the Core Market Administration Expense, gas commodity costs, amalgamation of the gas supply portfolios, treatment of Southern Crossing Pipeline mitigation revenue and O&M expense related to Energy Supply and Resource Development.

Q8. *Does this complete your direct testimony?*

- A.** Yes.

**FortisBC Energy Utilities (“FEU”)
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Direct Testimony of Diane Roy

Q1. *Please state your name and present position with the FortisBC Energy Utilities.*

A. My name is Diane Roy. I am the Director of Regulatory Affairs.

Q2. *How long have you held that position?*

A. Since October of 2010.

Q3. *What, if any, previous positions have you held with the FortisBC Energy Utilities (previously Terasen Gas)?*

A. From 2008 through 2010 I held the position of Manager – Regulatory Strategy and Business Analysis, and from 2004 to 2008 I held the positions of Financial Accounting and Reporting Manager and Manager – Financial and Regulatory Reporting.

Q4. *What positions did you hold prior to joining the FortisBC Energy Utilities and with whom?*

A. From 2000 through 2004, I held the position of Manager – Corporate Accounting and Reporting with the Overwaitea Food Group. From 1990 to 2000, I held the positions of Corporate Reporting Accountant, Corporate Performance Manager, and Controller – External Reporting & Policies with Telus (formerly BC Tel). From 1986 to 1990 I held the positions of Auditor and Audit Senior with Deloitte & Touche.

Q5. *What are your professional qualifications?*

A. I am a Chartered Accountant, and hold an Honours Bachelor of Commerce degree from the University of British Columbia.

Q6. *Have you previously testified before this Commission?*

A. No.

Q7. *What role did you play in the development of this application?*

A. My role in the preparation of this Application related primarily to leading the development and filing of the FEU's revenue requirements. I provided policy guidance, coordination, drafting and review of evidence and IRs on matters relating to the determination of the overall revenue requirements and rates, and other financial matters including the proposals for deferral treatment of various items, and the treatment of negative salvage and unrecovered depreciation. I have responsibility for the evidence relating to Rate Base, Revenue Requirements and Rate Calculations, Unrecovered Losses, Negative Salvage, and Deferrals.

Direct Testimony of Diane Roy

Q8. *Does this complete your direct testimony?*

A. Yes.

**FortisBC Energy Utilities (“FEU”)
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Direct Testimony of Larry E. Kennedy

Q1. *Please state your name and your current position.*

A. My name is Larry E. Kennedy. I have been with Gannett Fleming since 1999, and I am the Director of Canadian Services for the Valuation and Rate Division. I am a Technical Expert in Public Utility Plant Depreciation and Accounting.

Q2. *What is the nature of your relationship to the FortisBC Energy Utilities?*

A. Gannett Fleming has been retained by the FEU and its predecessor companies since 1998 to conduct depreciation studies, including the development of average service lives using the retirement rate method of analysis, development of net salvage estimates, and the determination of appropriate annual accrual and accrued depreciation rates.

Q3. *What are your professional qualifications?*

A. I have a Diploma in Applied Arts – Business Administration from the Northern Alberta Institute of Technology (1978), I am a member of the Society of Depreciation Professionals, and I am a Certified Depreciation Professional. My Curriculum Vitae is attached.

Q4. *Have you previously testified before this Commission?*

A. No, I have not testified before this Commission, however, I have previously testified before regulatory boards in other jurisdictions.

Q5. *What role did you play in the development of this application?*

A. My role in the preparation of this Application related primarily to the preparation of a depreciation study related to the natural gas transmission and distribution facilities of the FEU. The study included discussion of depreciation policies and practices with the FEU management, a statistical analysis of the average service life characteristics of plant in service, an analysis of the appropriateness of negative salvage values, a test of the adequacy of the current accumulated depreciation reserves related to the original cost and cost of removal requirements, and a full report outlining the depreciation study process and resultant recommendations. In addition, I provided guidance and assistance to respond to information requests relating to the subject of depreciation and negative salvage. I have responsibility for the evidence filed in Appendix E-1 titled as Gannett Fleming Depreciation Report.

Q6. *Does this complete your direct testimony?*

A. Yes.

LARRY E. KENNEDY**TECHNICAL SPECIALTIES**

Public Utility Plant Depreciation
Public Utility Plant Accounting

PERSONAL INFORMATION

Diploma, Applied Arts - Business Administration, Northern Alberta Institute of
Technology, 1978
Member, Society of Depreciation Professionals
Certified Depreciation Professional

EXPERIENCE

Mr. Kennedy joined Gannett Fleming, Inc. in January 1999 and is the Director of Canadian Services for the Valuation and Rate Division. His responsibilities include the assembly of data, the preparation and review of depreciation studies, advice to clients regarding asset retirement obligation accounting, plant accounting issues, and provision of general regulatory litigation support.

Representative assignments include:

- International Financial Reporting Standards (IFRS). Mr. Kennedy has been retained by numerous clients encompassing most Canadian Provinces and Territories. The assignments included the review of company's assets and depreciation practices to provide opinion on the compliance to the IFRS. The assignments have also included the issuance of opinion to the External Auditors of Utilities to comment on the manner in which the Utilities can minimize differences in the regulatory ledgers and the accounting records used for financial disclosure purposes. Mr. Kennedy has also presented to the Canadian Electric Association, the Society of Depreciation Professionals and to the British Columbia Utilities Commission on this topic.
- Fortis Inc. Studies have included the development of annual and accrued depreciation rates for the electric distribution assets in Alberta and for the generation, transmission, and distribution assets in British Columbia. The FortisBC study was completed and filed with the BCUC in 2005. FortisAlberta studies were completed in 2004 (updated in 2005) and in 2009. Elements of the studies included the development of average service lives using the retirement rate method of analysis, development of net salvage estimates, and the determination of appropriate annual accrual and accrued depreciation rates.
- BC Hydro. This assignment included the development of an average service life study for all of the BC Hydro's electric generation, transmission, distribution and general plant assets. The study, which was prepared for submission to the British Columbia Utilities Commission ("BCUC"), included development of depreciation policy for the company, development of procedures to extract data from the company databases, tours of the company facilities, interviews with operational and management representatives, and the compilation of a detailed report. The assignment has included the support of the study through the regulatory process.
- AltaLink LP. A study was developed for submission to the Alberta Energy and Utilities Board in 2002. The study included the estimation of service life characteristics, and the estimation of net salvage requirements for all electric transmission assets. A net salvage study and technical update was also filed with the Board in 2004, and a second average service life study was filed in 2005.

LARRY E. KENNEDY

- Newfoundland and Labrador Hydro. Mr. Kennedy developed a comprehensive depreciation study that included the development of depreciation policy and rates for Newfoundland and Labrador Hydro. The study provided a significant review of the previous depreciation policy, which included use of a sinking fund depreciation method and provided justification for the conversion to the straight-line depreciation method. The study, which was prepared for submission to the Newfoundland and Labrador Utilities Commission, included a significant amount of discussion regarding the development of depreciation policy for the company. The study also included development of procedures to extract data from the company databases, tours of the company facilities, interviews with operational and management representatives, development of appropriate net salvage rates, development of average service life estimates, and the compilation of the report for submission in a General Tariff Application.
- ATCO Electric. Studies have included the development of annual and accrued depreciation rates for the electric transmission and distribution systems for the Alberta Assets of ATCO Electric, in addition to the generation, transmission, and distribution assets of Northland Utilities (NWT) Inc. and the distribution assets of Northland Utilities (Yellowknife) Inc. The ATCO Electric study was submitted to the Alberta Energy and Utilities Board for review, while the Northland Utilities Inc. studies were submitted to the Northwest Territories Utilities Board. Elements of the studies included the service life analysis for all accounts using the retirement rate analysis, discussion with management regarding outlook, and the estimation of net salvage requirements.
- Yukon Energy Corporation. The study included the development of annual accrual and accrued depreciation rates for all electric generation, distribution and transmission assets. The study was completed in 2004 and submitted to the Yukon Energy and Utilities Board in 2005. The study included the development of appropriate depreciation policies, site tours of company facilities, and operational and management interviews. Development of average service lives; net salvage estimates and depreciation rates were based on statistical analysis of company data, operational and management meetings, and site tours.
- ENMAX Power Corporation. Studies have included the development of annual and accrued depreciation rates for all depreciable electric transmission assets. Elements of the studies included the service life analysis for all accounts using the retirement rate analysis, discussion with management regarding outlook, and the estimation of net salvage requirements. Studies were prepared for submission to the Alberta Department of Energy and more recently for submission to the Alberta Energy and Utilities Board. Similar studies have also been completed for submission for the ENMAX Electric Distribution assets for submission to the Alberta Energy and Utilities Board. The ENMAX distribution asset assignments also included an extensive asset verification project where the plant accounting and operational asset records were verified to the field assets actually in service.
- Manitoba Hydro. A study was developed to determine the appropriate depreciation parameters for all electric generation, transmission and distribution assets. The study was submitted to the Manitoba Public Utilities Board. Elements of the study included a field review of electric generation and transmission plant, the service life analysis for all accounts using the retirement rate analysis, discussion with management regarding outlook, and the estimation of net salvage requirements. A similar study was also completed in 2006.

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- Centra Gas Manitoba, Inc. The study included development of annual and accrued depreciation rates for all gas plant in service. Elements of the study included a field inspection of metering and compression facilities, service buildings and other gas plant; service life analysis for all accounts using the retirement rate analysis on a combined database developed from actuarial data and data developed through the computed method; discussions with management regarding outlook; and the estimation of net salvage requirements. A similar study was completed in 2006.
- TransCanada PipeLines Limited – Alberta Facilities. The assignment included working with the company to develop the appropriate depreciation policy to align with the organization's overall goals and objectives. The resulting depreciation study, which was submitted to the Alberta Energy and Utilities Board, incorporated the concepts of time-based depreciation for gas transmission accounts and unit based depreciation for gathering facilities. The data was assembled from two different accounting systems and statistical analysis of service life and net salvage were performed. For gathering accounts, the assignment included the oversight of the development of appropriate gas production and ultimate gas potential studies for specific areas of gas supply. Field inspections of gas compression, metering and regulating, and service operations were conducted. Studies were completed in 2002 and 2004, 2007 and 2009.
- TransCanada PipeLines Limited – Mainline Facilities. The study prepared for submission to the National Energy Board of Canada included the development of annual and accrued depreciation rates for gas transmission plant east of the Alberta – Saskatchewan border. Elements of the study included a field inspection of compression and metering facilities, service life and net salvage analysis for all accounts. The study was completed in 2002, and was supported through an appearance before the NEB. Study updates have been completed in 2005, 2007 and 2009.
- AltaGas Utilities Inc. A number of depreciation studies have been completed, which included the assembly of basic data from the Company's accounting systems, statistical analysis of retirements for service life and net salvage indications, discussions with management regarding the outlook for property, and the calculations of annual and accrued depreciation. The studies were prepared for submission to the Alberta Energy and Utilities Board.
- Mackenzie Valley Pipeline Project. This assignment included the review of the proposed depreciation schedule for the proposed Mackenzie Valley Pipeline. The review included a discussion of the policies used by the company and the depreciation concepts to be included in a depreciation schedule for a Greenfield pipeline. The review was supported through appearance at the oral public hearings before the National Energy Board of Canada.
- Alberta Municipal Affairs. The first assignment was conducted in two phases. The first phase involved significant consultation with the Alberta Department of Municipal Affairs and various stakeholder groups to develop a report outlining the method of depreciation that would most appropriately result in a fair market value assignment for the Province's oil and gas pipelines, and for all segments of the electric industry (generation, transmission and distribution). The second phase of the project was to develop specific depreciation schedules to implement the recommendations that were accepted by Alberta Municipal Affairs for the oil and gas pipelines, as well as for all three aspects of the Province's electric industry. A second assignment related to developing models for the determination of the fair assessment value for the Province's Telecommunication and Railway Systems was completed in 2004, and was updated in 2005 and 2006.

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- Property Tax Appeals. Mr. Kennedy has provided expert evidence regarding the fair market valuation for a number of clients before the Alberta Municipal government Board.
- The City of Calgary. These assignments consisted of providing advice and testimony for the City of Calgary on depreciation issues in various general rate applications. Elements of these assignments include the review of applicant evidence and policies, development of information requests, submission of evidence, response to information requests, and providing expert testimony.

Mr. Kennedy has successfully completed the series of week-long programs offered by Depreciation Programs, Inc. and is a past president of the Society of Depreciation Professionals.

Mr. Kennedy has appeared as an expert witness before various regulatory boards as summarized in the attached "Summary of Appearances".

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SUMMARY OF APPEARANCES BEFORE REGULATORY BOARDS

| <u>Year</u> | <u>Client</u> | <u>Applicant</u> | <u>Regulatory Board</u> | <u>Proceeding Number</u> |
|-------------|---|--|--|--------------------------|
| 1999 | ENMAX Corporation | Edmonton Power Corporation | Alberta Energy and Utilities Board | 980550 |
| 2001 | City of Calgary | ATCO Pipelines South | Alberta Energy and Utilities Board | 2000-365 |
| 2001 | City of Calgary | ATCO Gas South | Alberta Energy and Utilities Board | 2000-350 |
| 2001 | City of Calgary | ATCO Affiliate Proceeding | Alberta Energy and Utilities Board | 1237673 |
| 2003 | AltaLink Management Ltd | AltaLink Management Ltd | Alberta Energy and Utilities Board | 1279345 |
| 2003 | TransCanada PipeLines Limited | TransCanada PipeLines Limited | National Energy Board of Canada | RH-1-2002 |
| 2003 | City of Calgary | ATCO Gas | Alberta Energy and Utilities Board | 1275466 |
| 2003 | City of Calgary | ATCO Electric | Alberta Energy and Utilities Board | 1275494 |
| 2004 | NOVA Gas Transmission Limited | NOVA Gas Transmission Limited | Alberta Energy and Utilities Board | 1315423 |
| 2004 | ENMAX Power Corporation | ENMAX Power Corporation | Alberta Energy and Utilities Board | 1306819 |
| 2004 | Westridge Utilities Inc | Westridge Utilities Inc. | Alberta Energy and Utilities Board | 1279926 |
| 2004 | Heritage Gas Ltd. | Heritage Gas Ltd. | Nova Scotia Utility and Review Board | N/A |
| 2004 | Central Alberta Midstream | Central Alberta Midstream | Municipal Government Board of Alberta | N/A |
| 2004 | AltaLink LP | AltaLink LP | Alberta Energy and Utilities Board | 1336421 |
| 2004 | Central Alberta Midstream | Central Alberta Midstream | Municipal Government Board of Alberta | N/A |
| 2005 | AltaGas Utilities Inc. | AltaGas Utilities Inc. | Alberta Energy and Utilities Board | 1378000 |
| 2005 | ATCO Power | ATCO Power | Municipal Government Board of Alberta | N/A |
| 2005 | ENMAX Power Corporation | ENMAX Power Corporation- Distribution Assets | Alberta Energy and Utilities Board | 1380613 |
| 2005 | Newfoundland and Labrador Hydro | Newfoundland and Labrador Hydro | Newfoundland and Labrador Board of Commissioners of Public Utilities | Study submitted |
| 2006 | AltaLink LP | AltaLink LP | Alberta Energy and Utilities Board | 1456797 |
| 2006 | Imperial Oil Resources Ventures Limited | McKenzie Valley Pipeline Project | National Energy Board of Canada | GH-1-2004 |
| 2008 | ATCO Electric | Yukon Electrical Company Limited | Yukon Utilities Board | N/A |
| 2009 | Fortis Alberta Inc. | Fortis Alberta, Inc. | Alberta Utilities Commission | 1605170 |

LARRY E. KENNEDY**SUMMARY OF APPEARANCES BEFORE REGULATORY BOARDS**

| <u>Year</u> | <u>Client</u> | <u>Applicant</u> | <u>Regulatory Board</u> | <u>Proceeding Number</u> |
|-------------|------------------------|------------------------|--------------------------------|----------------------------|
| 2010 | Gazifere | Gazifere | La Regie de L'Energie | R-3724-2010 |
| 2010 | ATCO Electric | ATCO Electric | Alberta Utilities Commission | 1606228 |
| 2011 | ATCO Gas | ATCO Gas | Alberta Utilities Commission | 1606822-Appearence Pending |
| 2011 | AltaLink | AltaLink | Alberta Utilities Commission | 1606895-Appearence Pending |
| 2011 | Qulliq | Qulliq | Utilities Rates Review Council | Appearance Pending |
| 2011 | AltaGas Utilities Inc. | AltaGas Utilities Inc. | Alberta Utilities Commission | Appearance Pending |
| 2011 | Fortis Alberta Inc. | Fortis Alberta, Inc. | Alberta Utilities Commission | Appearance Pending |

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SUMMARY OF CASES WHERE EVIDENCE WAS PROVIDED BUT APPEARANCES WERE NOT REQUIRED

| <u>Year</u> | <u>Client</u> | <u>Applicant</u> | <u>Regulatory Board</u> | <u>Proceeding Number</u> |
|-------------|--|---|--|--------------------------|
| 2000 | AltaGas Utilities Inc. | AltaGas Utilities Inc | Alberta Energy and Utilities Board | Decision 2002-43 |
| 2001 | ENMAX Power Corporation | ENMAX Power Corporation – Electric Transmission Assets | Alberta Department of Energy | N/A |
| 2002 | Centra Gas British Columbia | Centra Gas British Columbia | British Columbia Utilities Commission | N/A |
| 2002 | ENMAX Power Corporation | ENMAX Power Corporation – Electric Transmission Assets | Alberta Department of Energy | N/A |
| 2003 | Centra Gas Manitoba | Centra Gas Manitoba | Manitoba Public Utilities Board | N/A |
| 2003 | Manitoba Hydro | Manitoba Hydro | Manitoba Public Utilities Board | N/A |
| 2003 | City of Calgary | ATCO Pipelines | Alberta Energy and Utilities Board | 1292783 |
| 2003 | City of Calgary | ATCO Electric –ISO Issues | Alberta Energy and Utilities Board | N/A |
| 2004 | AltaGas Utilities Inc. | AltaGas Utilities Inc. | Alberta Energy and Utilities Board | 1305995 |
| 2005 | Yukon Energy Corporation | Yukon Energy Corporation | Yukon Utilities Board | N/A |
| 2005 | NOVA Gas Transmission Ltd. | NOVA Gas Transmission Ltd. | Alberta Energy and Utilities Board | 1375375 |
| 2005 | FortisAlberta Inc. | FortisAlberta Inc. | Alberta Energy and Utilities Board | 1371998 |
| 2005 | ATCO Electric | ATCO Electric | Alberta Energy and Utilities Board | 1399997 |
| 2005 | The City of Red Deer | The City of Red Deer Electric System | Alberta Energy and Utilities Board | 1402729 |
| 2005 | Northland Utilities (Yellowknife) Inc. | Northland Utilities (Yellowknife) Inc. | Northwest Territories Utilities Board | N/A |
| 2005 | Northland Utilities (NWT) Inc. | Northland Utilities (NWT) Inc | Northwest Territories Utilities Board | N/A |
| 2005 | ENMAX Power Corporation | ENMAX Power Corporation- Transmission Assets | Alberta Energy and Utilities Board | N/A |
| 2005 | FortisBC, Inc | FortisBC, Inc | British Columbia Utilities Commission | N/A |
| 2005 | New Brunswick Board of Commissioners of Public Utilities | New Brunswick Power Distribution and Customer Service Company | New Brunswick Board of Commissioners of Public Utilities | N/A |
| 2005 | British Columbia Transmission Corporation | British Columbia Transmission Corporation | British Columbia Utilities Commission | N/A |
| 2006 | BC Hydro | BC Hydro | British Columbia Utilities Commission | N/A |
| 2005 | FortisAlberta Inc. | FortisAlberta Inc. | Alberta Energy and Utilities Board | N/A |
| 2007 | Enbridge Pipelines Limited | Enbridge Pipelines Limited | National Energy Board of Canada | RH-2-2007 |
| 2007 | Fortis Alberta Inc. | Fortis Alberta Inc. | Alberta Energy and Utilities Board | 1514140 |
| 2007 | Kinder Morgan | Terasen (Jet fuel) Pipeline Limited | British Columbia Utilities Commission | N/A |
| 2008 | ATCOGas | ATCOGas | Alberta Utilities Commission | 1553052 |

LARRY E. KENNEDY**SUMMARY OF CASES WHERE EVIDENCE WAS PROVIDED BUT APPEARANCES WERE NOT REQUIRED**

| <u>Year</u> | <u>Client</u> | <u>Applicant</u> | <u>Regulatory Board</u> | <u>Proceeding Number</u> |
|-------------|-------------------------------------|-------------------------------------|--------------------------------------|--------------------------|
| 2008 | Heritage Gas | Heritage Gas Ltd. | Nova Scotia Utility and Review Board | N/A |
| 2008 | ENMAX Power Corporation | ENMAX Power Corporation | Alberta Utilities Commission | 1512089 |
| 2008 | City of Lethbridge Electric System | City of Lethbridge | Alberta Utilities Commission | |
| 2009 | AltaGas Utilities Inc. | AltaGas Utilities Inc. | Alberta Utilities Commission | N/A |
| 2010 | Enbridge Pipelines Limited - Line 9 | Enbridge Pipelines Limited - Line 9 | National Energy Board of Canada | N/A |
| 2010 | Kinder Morgan | Kinder Morgan | National Energy Board of Canada | N/A |

**FortisBC Energy Utilities (“FEU”)
2012-2013 REVENUE REQUIREMENTS AND NATURAL GAS RATES APPLICATION**

Direct Testimony of Douglas Stout

Q1. *Please state your name and present position with the FortisBC Energy Utilities.*

A. My name is Douglas Stout. I am Vice President, Energy Solutions & External Relations.

Q2. *How long have you held that position?*

A. Since 2010.

Q3. *What, if any, previous positions have you held with the FortisBC Energy Utilities (previously Terasen Gas)?*

A. From 2004 through 2010 I held the position of Vice President, Marketing and Business Development, and from 2001 to 2004 I held the position of Vice President, Gas Supply and Transmission

Q4. *What positions did you hold prior to joining the FortisBC Energy Utilities and with whom?*

A. From 1999 through 2001, I held the position of Vice President with Belcorp Industries Inc and from 1994 to 1999, I held the position of Vice President, Husky Oil Ltd.

Q5. *What are your professional qualifications?*

A. I have a B.Sc., Civil Engineering from the University of Alberta and a Masters of Business Administration from the University of Alberta.

Q6. *Have you previously testified before this Commission?*

A. Yes.

Q7. *What role did you play in the development of this application?*

A. My role in the preparation of this Application related primarily to the Energy Solutions and External Relations area. I provided policy guidance, coordination, drafting and review of evidence and IRs on matters relating to the same. I have responsibility for the evidence relating to policy matters in this area as well as thermal energy solutions, communications and community and government relations.

Q8. *Does this complete your direct testimony?*

A. Yes.

**FortisBC Energy Utilities (“FEU”)
2012-2013 REVENUE REQUIREMENTS AND NATURAL GAS RATES APPLICATION**

Direct Testimony of David A. Bennett

Q1. *Please state your name and present position with the FortisBC Energy Utilities.*

A. My name is David A. Bennett. I am the Director of Resource Planning and Market Development.

Q2. *How long have you held that position?*

A. Since May 2008.

Q3. *What, if any, previous positions have you held with the FortisBC Energy Utilities (formerly Terasen Gas)?*

A. From 2004 through 2008 I held the position of Director, Energy Management Services (Gas Supply), and from 2002 to 2004 I held the position of Manager, Planning, Risk and Business Development with Centra Gas BC.

Q4. *What positions did you hold prior to joining the FortisBC Energy Utilities and with whom?*

A. From 1991 through 1996, I held the positions of Project Leader and Senior Market Analyst with Westcoast Energy Inc. (now Spectra), and from 1986 to 1991, I held various positions with Shell Canada Ltd..

Q5. *What are your professional qualifications?*

A. I have a Bachelor of Science from the University of Victoria with a double major in economics and computer science.

Q6. *Have you previously testified before this Commission?*

A. Yes.

Q7. *What role did you play in the development of this application?*

A. My role in the preparation of this Application related primarily to Natural Gas Services including new initiatives such as biomethane and natural gas vehicles (“NGV”), Energy Efficiency and Conservation (“EEC”), the Demand Forecast and Resource Planning. I provided policy guidance, coordination, drafting and review of evidence and IRs on matters relating to EEC, Market Development initiatives, demand forecasting and resource planning. I have responsibility for the evidence relating to these areas and in particular topics such as the demand forecast, customer attachment policies, NGV, the biomethane program, and research and resource planning initiatives.

Direct Testimony of David A. Bennett

Q8. *Does this complete your direct testimony?*

A. Yes.

**FortisBC Energy Utilities (“FEU”)
2012-2013 REVENUE REQUIREMENTS AND NATURAL GAS RATES APPLICATION**

Direct Testimony of Sarah Smith

Q1. *Please state your name and present position with the FortisBC Energy Utilities.*

A. My name is Sarah Smith. I am the Manager of Energy Efficiency and Conservation.

Q2. *How long have you held that position?*

A. Since January 2006.

Q3. *What, if any, previous positions have you held with the FortisBC Energy Utilities (previously Terasen Gas)?*

A. None, although I worked for related companies.

Q4. *What did positions did you hold prior to joining the FortisBC Energy Utilities, either for those related companies or otherwise?*

A. From 2000 through November 2005 I held the position of Northwest Regional Manager with Clean Energy Fuels, a company that was formed in part from a previous Non-Regulated Business called eFuels. Prior to that, I worked for a fleet management company.

Q5. *What are your professional qualifications?*

A. I have a Diploma in Sales and Marketing Management from the Sauder School of Business at UBC.

Q6. *Have you previously testified before this Commission?*

A. No.

Q7. *What role did you play in the development of this application?*

A. My role in the preparation of this Application related primarily to the Companies’ Energy Efficiency and Conservation (“EEC”) initiative. I provided policy guidance, coordination, drafting and review of evidence and IRs on matters relating to EEC policy and programs. I have responsibility for the evidence relating to the level of EEC funding requested, EEC activity, and to the proposed changes in cost-effectiveness analysis for EEC in this proceeding.

Q8. *Does this complete your direct testimony?*

A. Yes.

**FortisBC Energy Utilities (“FEU”)
2012-2013 REVENUE REQUIREMENTS AND NATURAL GAS RATES APPLICATION**

Direct Testimony of Dwain A. Bell

Q1. *Please state your name and present position with FortisBC Energy Utilities.*

A. My name is Dwain A. Bell. I am the Vice President of Operations (Gas) for the FortisBC Energy Utilities. The Operations group includes both the Distribution and Transmission business units.

Q2. *How long have you held that position?*

A. Since March 2011.

Q3. *What, if any, previous positions have you held with the FortisBC Energy Utilities (formerly Terasen Gas)?*

A. I have worked for the FEU and predecessor companies of the FEU for 37 years. My most recent positions prior to my current role are Vice President-Distribution from January 2005 to February 2011, and General Manager, Distribution Operations from January 2004 to December 2004. Prior to that, I was with the predecessor companies of FortisBC Energy (Vancouver Island) Inc. as Director, Operations since January 2002, and Director, Business Services since September 1999.

Q4. *What positions did you hold prior to joining the FortisBC Energy Utilities and with whom?*

A. None.

Q5. *What are your professional qualifications?*

A. I have an MBA and Graduate Diploma in Knowledge Management from Royal Roads University.

Q6. *Have you previously testified before this Commission?*

A. Yes.

Q7. *What role did you play in the development of this application?*

A. My role in the preparation of this Application related primarily to Distribution and Transmission operations. I provided policy guidance, coordination, and review of evidence and IRs on matters relating to Distribution and Transmission operating and capital budgets. I have responsibility for the evidence relating to operating and capital budgets for the following business units: Operations (both Distribution and Transmission), Operations Engineering, Operations Support, Facilities, and Environment, Health and Safety.

Direct Testimony of Dwain A. Bell

Q8. *Does this complete your direct testimony?*

A. Yes.

**FortisBC Energy Utilities (“FEU”)
2012-2013 REVENUE REQUIREMENTS AND NATURAL GAS RATES APPLICATION**

Direct Testimony of Tom A. Loski

Q1. *Please state your name and present position with the FortisBC Energy Utilities.*

A. My name is Tom A. Loski. I am the Vice President of Customer Service for the FortisBC Energy Utilities.

Q2. *How long have you held that position?*

A. Since October 1, 2010.

Q3. *What, if any, previous positions have you held with the FortisBC Energy Utilities (previously Terasen Gas)?*

A. I have held several senior manager positions with the predecessor companies of the FEU in various departments during the 29 years that I have been with the companies. This included being Chief Regulatory Officer from April 2008 to September 2010. From January 2004 to March 2008, I was the Director of Regulatory Affairs, and prior to that I held positions in Finance, Strategic Planning, Operations, Marketing, Gas Supply and Rate Design.

Q4. *What positions did you hold prior to joining the FortisBC Energy Utilities and with whom?*

A. I was an Accountant with Trimac Ltd. and a small independent accounting firm.

Q5. *What are your professional qualifications?*

A. I am a Certified Management Accountant (1985).

Q6. *Have you previously testified before this Commission?*

A. Yes.

Q7. *What role did you play in the development of this application?*

A. My role in the preparation of this Application related primarily to Customer Service and the Customer Care Enhancement Project. I provided policy guidance, coordination, drafting and review of evidence and IRs on matters relating to Customer Service and the Customer Care Enhancement Project.

Q8. *Does this complete your direct testimony?*

A. Yes.

**FortisBC Energy Utilities (“FEU”)
2012-2013 REVENUE REQUIREMENTS AND NATURAL GAS RATES APPLICATION**

Direct Testimony of Jody Drope

Q1. *Please state your name and present position with the FortisBC Energy Utilities.*

A. My name is Jody Drope. I am the Chief Human Resources Officer for both FortisBC Energy Utilities and FortisBC Inc. (electric).

Q2. *How long have you held that position?*

A. Since November of 2010.

Q3. *What, if any, previous positions have you held with the FortisBC Energy Utilities (formerly Terasen Gas)?*

A. None, although I held a position with a related company.

Q4. *What positions did you hold prior to joining the FortisBC Energy Utilities and with whom?*

A. From 2008 through 2010 I held the position of Human Resources Manager for FortisBC Inc. (electric). I held the position of Human Resources Manager with the City of Kelowna from 1998 through 2004 and from 2007 to 2008. From 2004 through 2007 I held the position of Human Resources Manager with the City of Vernon. Prior to that, I held a variety of human resource positions in public sector organizations at both the provincial and municipal level.

Q5. *What are your professional qualifications?*

A. I hold an Honours Bachelor of Commerce degree from the University of Saskatchewan, majoring in industrial relations, general business and economics. I have been registered as a Certified Human Resources Professional (CHRP) with the BC Human Resources Management Association since 1997.

Q6. *Have you previously testified before this Commission?*

A. No.

Q7. *What role did you play in the development of this application?*

A. My role in the preparation of this Application related primarily to Human Resources. I provided coordination, drafting and review of evidence and IRs on matters relating to management of the corporate human resources function. I have responsibility for the evidence relating to employee demographics, labour relations, compensation and benefits, recruiting, employee development, and the human resource information system. I can also provide information on the human resource services required to support the new Customer Service organization.

Direct Testimony of Jody Drope

Q8. *Does this complete your direct testimony?*

A. Yes.

**FortisBC Energy Utilities (“FEU”)
2012-2013 REVENUE REQUIREMENTS AND NATURAL GAS RATES APPLICATION**

Direct Testimony of David Legge

Q1. *Please state your name and present position with the FortisBC Energy Utilities.*

A. My name is David Legge. I am the Chief Information Officer.

Q2. *How long have you held that position?*

A. Since May, 2009.

Q3. *What, if any, previous positions have you held with the FortisBC Energy Utilities (previously Terasen Gas)?*

A. From 2007 through 2009 I held the position of Director, IT; from 2001 to 2007, I held the position of Manager, Application Development Services; and from 1997 through 2001, I held the position of technical manager for the SAP sustainment department. From 1981 through 1997, I held various positions in the IT department including programmer, programmer analyst and business analyst.

Q4. *What positions did you hold prior to joining the FortisBC Energy Utilities and with whom?*

A. From 1980 through 1981, I held the position of programmer analyst with National DataCentre.

Q5. *What are your professional qualifications?*

A. I have a diploma in Information Technology from British Columbia Institute of Technology.

Q6. *Have you previously testified before this Commission?*

A. No.

Q7. *What role did you play in the development of this application?*

A. My role in the preparation of this Application related primarily to information technology. I provided coordination, drafting and review of evidence and IRs on matters relating to the information technology department including capital and operating budgets. I have responsibility for the evidence relating to the operation of the information technology department including the O&M and capital budgets. As program director of the Customer Care Enhancement (“CCE”) project, I can also provide supporting information on the CCE project implementation.

Q8. *Does this complete your direct testimony?*

Direct Testimony of David Legge

A. Yes.