



**Diane Roy**  
Vice President, Regulatory Affairs

**Gas Regulatory Affairs Correspondence**  
Email: [gas.regulatory.affairs@fortisbc.com](mailto:gas.regulatory.affairs@fortisbc.com)

**Electric Regulatory Affairs Correspondence**  
Email: [electricity.regulatory.affairs@fortisbc.com](mailto:electricity.regulatory.affairs@fortisbc.com)

**FortisBC**  
16705 Fraser Highway  
Surrey, B.C. V4N 0E8  
Tel: (604) 576-7349  
Cell: (604) 908-2790  
Fax: (604) 576-7074  
Email: [diane.roy@fortisbc.com](mailto:diane.roy@fortisbc.com)  
[www.fortisbc.com](http://www.fortisbc.com)

October 13, 2017

British Columbia Utilities Commission  
Suite 410, 900 Howe Street  
Vancouver, B.C.  
V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary and Manager, Regulatory Support

Dear Mr. Wruck:

**Re: FortisBC Energy Inc. (FEI)**

**Project No. 1598915**

**Application for Approval of Operating Agreement Terms between the City of Surrey and FEI (the Application)**

**FEI Comments on Further Process**

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FEI makes the following submission on further process, in accordance with the British Columbia Utilities Commission (the Commission) Order G-98-17 setting out the Regulatory Timetable for the review of the Application.

In the interests of regulatory and cost efficiency, FEI submits that the remainder of the regulatory review process should proceed by a written public hearing process. FEI does not see the need for a second round of information requests (IRs), and it would be inefficient to have one. The parties have articulated and explained their respective positions in their responses to round 1 IRs. A number of these issues are more in the nature of policy and legal questions, and can be addressed in Final Arguments based on the information currently before the Commission. While FEI takes issue with the City of Surrey's characterizations of past projects and disputes (which comprise a sizable portion of the information provided by the City of Surrey in response to round one IRs), historic disputes are not germane to the issues before the Commission except to underscore the need for a new contractual basis for moving forward.

While we do not see a need for second round IRs, we submit that fairness requires providing FEI with the opportunity to provide limited rebuttal evidence to the Aplin Martin (Aplin) report. The Aplin report provides information about the City of Surrey's costs in support of the operating fee it is seeking. The City of Surrey should really have included such information with its original application, rather than waiting for IRs. We have no objection to the Aplin report remaining as part of the record, but FEI must have an opportunity to address it. FEI disagrees with some of Aplin's key assumptions, and in our view result in the amount being significantly overstated.

FEI believes that we could provide a concise rebuttal to Aplin. Our proposed schedule assumes that a procedural order would be issued by the Commission within the next month and proceeds from there.

In terms of final submissions, given that FEI and the City of Surrey are both applicants in this process, FEI proposes that both FEI and the City of Surrey file their respective written final arguments concurrently, then Intervener written final arguments, followed by the written reply arguments of FEI and the City of Surrey concurrently. FEI proposes the following timetable for submissions:

Action	Date (2017)
Limited Rebuttal Evidence	Thursday, November 16
<b>IRs on Rebuttal Evidence</b>	Thursday, November 30
<b>Responses to IRs on Rebuttal Evidence</b>	Thursday, December 14
Action	Date (2018)
FEI and City of Surrey Written Final Argument	Tuesday, January 9
Intervener Written Final Argument	Tuesday, January 23
FEI and City of Surrey Written Reply Argument	Tuesday, February 6

If further information is required, please contact Ilva Bevacqua at 604-592-7664

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed:***

Diane Roy

cc (email only): Registered Parties