



ORDER NUMBER

G-5-25

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc. and FortisBC Inc.

Application for Establishment of an Equity Issuance Cost Deferral Account and Recovery of Equity Issuance Costs

BEFORE:

E. B. Lockhart, Panel Chair

on January 10, 2025

ORDER

WHEREAS:

- A. On December 11, 2024, FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (together, FortisBC) filed an application (Application) with the British Columbia Utilities Commission (BCUC) pursuant to sections 59 to 61 of the *Utilities Commission Act*, seeking approval :
- i. to establish a new non-rate base deferral account, for each of FEI and FBC, titled the flotation costs deferral account, attracting a weighted average cost of capital return;
 - ii. to record the actual after-tax flotation costs attributable to each of FEI and FBC from equity injections from their parent company, Fortis Inc., incurred in 2023 and 2024 in the flotation costs deferral account, as well as to record future actual flotation costs;
- B. By Decision and Order G-236-23 dated September 5, 2023, the BCUC concluded Stage 1 of the Generic Cost of Capital (GCOC) proceeding (GCOC Stage 1 Decision). As part of the GCOC Stage 1 Decision, the BCUC accepted that any reasonable and prudently incurred flotation costs incurred by a public utility are recoverable from customers over and above the approved cost of capital, and noted that FortisBC can request recovery of actual costs incurred by the parent company, Fortis Inc., by providing supporting documentation when FortisBC issues additional equity;
- C. In the Application, FortisBC states it is not proposing an amortization period for the flotation costs deferral accounts, and will propose an amortization period in a future rate-setting application; and
- D. The BCUC has commenced its review of the Application and finds that the establishment of a regulatory timetable for the review of the Application is warranted.

NOW THEREFORE the BCUC orders as follows:

1. A regulatory timetable for the review of the Application is established as set out in Appendix A to this order.

2. On or before Tuesday, January 21, 2025, FortisBC is directed to provide:
 - a. electronically where possible, a copy of the Application, this order and a link to the proceeding webpage to registered interveners in Stage 1 of the GCOC proceeding;
 - b. notice of the Application and this order on its existing social media platforms; and
 - c. notice of the Application and this order on FortisBC's website at www.fortisbc.com.
3. FortisBC is directed to provide to the BCUC, by Thursday, January 23, 2025, written confirmation of compliance with the notice requirements in Directive 2 of this order, including a list of social media platforms on which notice of the Application was posted.
4. In accordance with the BCUC's Rules of Practice and Procedure, parties who wish to actively participate in this proceeding must submit the Request to Intervene Form, available on the BCUC's website at <https://www.bcuc.com/GetInvolved/GetInvolvedProceeding>, by Tuesday, February 4, 2025, as established in the regulatory timetable. Parties may also submit letters of comment by completing a [Letter of Comment Form](#), available on the BCUC's website.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

Electronically signed by Blair Lockhart

E. B. Lockhart
Commissioner

Attachment

FortisBC Energy Inc. and FortisBC Inc.
Application for Establishment of an Equity Issuance Cost Deferral Account and Recovery of Equity Issuance Costs

REGULATORY TIMETABLE

Action	Date (2025)
FortisBC provides notice of Application	by Tuesday, January 21
FortisBC provides confirmation of compliance with public notice requirements	Thursday, January 23
Intervener registration deadline	Tuesday, February 4
BCUC Information Request (IR) No. 1	Wednesday, February 5
Intervener IR No. 1	Wednesday, February 12
FortisBC responses to IR No. 1	Thursday, February 27
FortisBC final argument	Thursday, March 13
Intervener final arguments	Thursday, March 27
FortisBC reply argument	Thursday, April 10