

1 **Q. Company Evidence, p. 1: The Company, in referring to the use of formulas, states**  
2 **in footnote 2 on p. 1 that the “BCUC may consider the matter in cost of capital**  
3 **proceedings in 2012.” What is the basis for this statement and what is the status of**  
4 **the cost of capital proceedings referred to?**

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6 A. The basis for the statement “the BCUC may consider the matter in cost of capital  
7 proceedings in 2012” is found in (i) correspondence from the British Columbia Utilities  
8 Commission (“BCUC”) to all regulated entities dated February 28, 2012, and (ii) a news  
9 release of the BCUC dated March 12, 2012.

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11 In the news release from the BCUC dated March 12, 2012, it is stated:

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13 *The purpose of the Generic Cost of Capital Proceeding is to establish a*  
14 *method to determine the appropriate cost of capital for a benchmark*  
15 *low-risk utility in British Columbia for 2013, and to establish how the*  
16 *benchmark cost of capital will be reviewed and, if required, adjusted on a*  
17 *regular basis. (See paragraph 1, page 1)*

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19 The correspondence from the BCUC dated February 28, 2012, indicates that this  
20 proceeding will consider:

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22 *“(b) the possible return to an ROE AAM for setting an ROE for the*  
23 *benchmark low risk utility” (see paragraph. 4, page 1).*

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25 A review of the documents on the BCUC website suggests that the BCUC Generic Cost  
26 of Capital proceeding is moving forward, with all applicants and interveners appearing to  
27 submit the necessary documents according to BCUC Order No. G-20-12. See Response  
28 to Request for Information CA NP 210 for a copy of the February 28, 2012  
29 correspondence including BCUC Order No. G-20-12.