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Our File: 11-4265
Date: November 13, 2012

British Columbia Utilities Commission
6th Floor – 900 Howe Street
Vancouver, BC V6Z 2V3

Attention: Erica Hamilton, Commission Secretary

Dear Madame:

**Re: Inquiry into Potential Adjustments for the British Columbia Mandatory Reliability Standards (MRS) Program, Order R-72-12 (Inquiry)
Association of Major Power Customers of BC (AMPC) Intervener Status Request**

We are legal counsel to AMPC in this matter and write to request Intervener status for AMPC. AMPC has been authorized to actively represent the common interests of all of its members. In addition, some of AMPC's individual member companies may also register separately.

The Inquiry's scope consists of two items:

1. Amending the Rules of Procedure for Reliability Standards in British Columbia (Rules of Procedure) to create an exemption process; and
2. Processes for assessing severity and risk for violations under the BC MRS program.

AMPC understands that following the Inquiry the Commission expects to author a report to regulated entities, stakeholders and government that may recommend changes to the MRS Regulation,¹ depending upon Inquiry outcomes.

The nature of AMPC members' interests relative to each aspect of the Inquiry is described in more detail below. AMPC representatives will attend the November 21, 2012 workshop.

1. Exemption Process

Formerly the Joint Industry Electricity Steering Committee (JIESC), AMPC is an industry association that represents major industrial load customers in matters of electricity regulation. AMPC members are transmission level customers of BC Hydro in the pulp and paper, forestry, mining, electrochemical and petrochemical sectors, and collectively represent a significant majority of BC Hydro's large industrial load. A number of AMPC members' operations include generation facilities.

Following the development of the BC MRS program some AMPC members have become subject to reliability standards adopted by the Commission under section 125.2(6) of the *Utilities*

¹ *Mandatory Reliability Standards Regulation*, B.C. Reg. 32/2009.

Commission Act, for reasons such as operating generation or transmission facilities at voltages exceeding 100 kV, or operating under-frequency load shedding devices.²

In some cases the obligations associated with reliability standard compliance were previously held by BC Hydro, or were not applicable because the reliability of the bulk power system was not at risk. Following the implementation of the MRS program some AMPC members have incurred material costs in the absence of a potential material threat to the reliability of the bulk power system, or have incurred costs that duplicate efforts undertaken elsewhere on the system, threatening their competitiveness.

AMPC members accordingly welcome both a potential exemption process and a process that will report to government about the MRS program. AMPC is interested in helping to develop a local exemption process that is principled, expedient, and efficient, contributing to a safe, reliable and cost-effective MRS program.

2. Process to Assess the Severity and Risk of MRS Violations

AMPC has earlier expressed concern that protocols and penalties for MRS violations should not derive from experiences and conduct unrelated to the BC transmission system, particularly if they include very large financial penalties. Instead, a “made in BC” option is superior. AMPC therefore welcomes the opportunity to consider and assess options appropriate to the BC transmission system context.

Please direct all correspondence in this matter to the individuals listed below:

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Please contact the writer if you have any questions.

Yours truly,

Bull, Housser & Tupper LLP



Matthew D. Keen

² *Utilities Commission Act*, RSBC 1996, c. 473, s. 125.2(8) and MRS Regulation, ss. 1 and 2. Also see definition of “Applicable Entity” in the Rules of Procedure.