BC~MEU

British Columbia Municipal Electrical Utilities
Cities of Kelowna, Penticton, Grand Forks, New Westminster, District of Summerland, Nelson Hydro

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Ms. Erica Hamilton
Commission Secretary
BC Utilities Commission
Sixth Floor, 900 Howe St., Box 250
Vancouver, BC V6Z 2N3

Via: e-mail
Commission.Secretary@bcuc.com

Dear Ms. Hamilton:

Re: BC Utilities Commission Inquiry into Potential Adjustments for the BC Mandatory Reliability Standards Program

The following are the BC~MEU comments on the Straw Dog drafts SD#1, SD#2 and SD#3 in accordance with BCUC order R-72-12.

SD#1 – Proposed Changes for the BC Rules of Procedure To Include A Possible Exception Process:

The BC~MEU represents utilities that are not projected to be classified as functional entities, however, the BC~MEU;

- Supports the concept that there should be an exception process and does not have any specific suggestions for revisions to the Straw Dog #1 proposals.

SD#2 – A Proposed BC-Specific Process for Assessing Severity and Risk of Violations and Determination of Penalties:

The BC~MEU;

- Supports the concept of a Find, Fix, Track and Report process. In particular the BC~MEU supports the concept of administrative efficiency as one of the goals of the FFT process.
- Has general agreement with proposed Part A process,
- Has general agreement with proposed Part B process and use of the Technical Advisory Committee,
- Has general agreement with proposed Part C process, and

- Has general agreement with proposed Part D process, except that the penalty matrix appears to be overly onerous at the high end of the penalty range,

SD#3 – Technical Advisory Committee (TAC) Terms of Reference:
The BC~MEU;

- Generally supports the concept of the TAC and the proposed terms of reference for the TAC subject to the following;
- The TAC will need administrative support for minute taking, preparing agendas, coordination, etc... The BC~MEU suggest that this support should be provided through the BCUC,
- There is a potential for substantial workload on the volunteer TAC members. There needs to be some provision for limiting the time commitment of the volunteer members and / or providing additional resources should the need arise, and
- It is not clear if the TAC will be used in an advisory capacity on only MRS issues or for a broader scope. The BC~MEU suggests this should be clarified in the terms of reference.

General Comments:
The BC~MEU members do not expect to classified as functional entities in the foreseeable future. The MRS program is important to the BC~MEU because system reliability has a direct impact on our operations and we therefore support the concept of ensuring maximum cost effective system reliability.

Despite not being classified as functional entities the BC~MEU has participated in the two workshops held in 2012 because the BC~MEU is concerned that the MRS program is or will be costly to administer. There are two aspects to this concern;

1. Administration costs ultimately need to be recovered from rate payers, hence the BC~MEU members will see MRS costs embedded in wholesale (as will other rate classes) power purchase rates, and
2. In the event BC~MEU utilities do become classed as functional entities it appears that the costs of program compliance may be significant and will become an added operating cost borne by our rate payers.

From the November 2012 workshop the BC~MEU understands the commission is considering a broader review of the MRS program. The BC~MEU supports a broader review specifically in the context of seeking efficiencies to reduce monetary and time burdens borne by all affected parties.

Yours truly

Alexander Love
On behalf of BC~MEU