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VIA EMAIL

bchydroregulatorygroup@bchydro.com

September 30, 2015

BC HYDRO 2015 RATE DESIGN

EXHIBIT A-2

Mr. Tom Loski
Chief Regulatory Officer
Regulatory & Rates Group
British Columbia Hydro and Power Authority
16th Floor – 333 Dunsmuir Street
Vancouver, BC V6B 5R3

Dear Mr. Loski:

Re: British Columbia Hydro and Power Authority
2015 Rate Design Application

Further to your September 24, 2015 filing of the 2015 Rate Design Application (RDA, Application), we enclose BC Utilities Commission (Commission) Order G-156-15 establishing a regulatory timetable.

In the cover letter to the Application, BC Hydro raised two matters, one of which was related to the Residential Inclining Block (RIB) Rate Report to the Government of British Columbia. BC Hydro indicates that it provides its submissions to the Commission's RIB Rate Report proceeding in this 2015 RDA proceeding in sections 5.5 and 5.6 of the Application. BC Hydro, in accordance with directions in a letter to the Commission from the Minister of Energy and Mines which initiated the RIB Rate Report proceeding,^[1] urges the Commission to use the RDA regulatory timetable proposed by BC Hydro for the issuance of round 1 Information Requests (IRs) to ask questions on sections 5.5 and 5.6 of the RDA, and to use the proposed December 2015 procedural conference to seek input on the timing for BC Hydro's report to the Commission.

The RIB Rate Report process is a separate proceeding initiated by the Commission with an initial regulatory process set out for BC Hydro, FortisBC Inc., and specific stakeholders to provide submissions on the methodologies under which they will complete their reports to the Commission by October 16, 2015.^[2] The Commission has been directed by the Minister to "use the 2015 RDA regulatory review as the process to collect information for the report [for BC Hydro], rather than a separate process" and "the [Commission's report] should be provided to the Government after the evidentiary phase of BC Hydro's 2015 RDA concludes."^[3] Thus,

^[1] Exhibit B-1, Appendix C-1D, and Attachment 1 to Exhibit A-1, Residential Inclining Block Rate Report to the Government of British Columbia proceeding

^[2] Exhibit A-1, Residential Inclining Block Rate Report to the Government of British Columbia proceeding

^[3] Exhibit B-1, Appendix C-1D and Attachment 1 to Exhibit A-1, Residential Inclining Block Rate Report to the Government of British Columbia proceeding

the Commission and the selected stakeholders in the RIB Rate Report proceeding will be invited to ask information requests, if any, on sections 5.5 and 5.6, in this RDA process. The regulatory timetable, attached as Appendix A to Order G-156-15, establishes the first round of information requests to be filed by November 10, 2015; this timing would accord well with the RIB Rate Report proceeding timing. As well, the schedule for the RIB Rate Report proceeding will not be established until the timetable for the RDA hearing has been set. Thus submissions on the timing of the RIB Report for BC Hydro will be sought at the procedural conference as suggested by BC Hydro.

If you require clarification or have further questions, please do not hesitate to contact Ms. Erica Hamilton, Commission Secretary, at 604-660-4700 or commission.secretary@bcuc.com.

Yours truly,

Erica Hamilton

EC/cms

Enclosure

cc: Registered Intervenors in the:

BC Hydro 2007 Rate Design (BCH-07Rate-RI)

BC Hydro Large General Service Rate (BCH-LGSR-RI)

BC Hydro Residential Inclining Block Rate (BCH-RIB-RI)

BC Hydro Transmission Service Rate (BCH-TSR-RI)



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-156-15**

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IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority
2015 Rate Design Application

BEFORE: D. M. Morton, Commissioner/Panel Chair
D. A. Cote, Commissioner September 29, 2015
K. A. Keilty, Commissioner

O R D E R

WHEREAS:

- A. British Columbia Hydro and Power Authority (BC Hydro) filed on September 24, 2015, pursuant to sections 58-61 in the *Utilities Commission Act*, the 2015 Rate Design Application; and
- B. The British Columbia Utilities Commission commenced its review of the Application and has determined that a regulatory timetable should be established, and a procedural conference be held on Tuesday, January 12, 2016 to determine the method and timing for further review of the 2015 Rate Design Application.

NOW THEREFORE the British Columbia Utilities Commission orders as follows:

1. Intervener and interested party registration and the first round of information requests are established in accordance with the regulatory timetable attached as Appendix A to this order.
2. The Commission invites applicant and intervener submissions on the matters raised in Appendix B of this order and any other matters they wish to bring to the attention of the Panel prior to the procedural conference. Submissions must be filed on or before October 14, 2015, and the reply submissions to each other, if any, on or before October 21, 2015.
3. British Columbia Hydro and Power Authority (BC Hydro) will publish, as soon as practicable but no later than October 7, 2015, in display-ad format, a notice of the 2015 Rate Design Application attached as Appendix C to this order, in such appropriate local news publications as may properly provide adequate notice to the public in its service area.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-156-15

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4. A procedural conference will be held on Tuesday, January 12, 2016 commencing at 9:00 a.m. in the Commission's Hearing Room on the 12th Floor at 1125 Howe Street, Vancouver, BC.
5. BC Hydro is to provide a copy of this order to all the stakeholders who participated in the 2015 Rate Design Application workshops.
6. The Application and any supporting materials will be made available for inspection at BC Hydro's head office in Vancouver and at the Commission's office.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of September 2015.

BY ORDER

Original signed by:

D. M. Morton
Commissioner

Attachments

**British Columbia Hydro and Power Authority
2015 Rate Design Application**

REGULATORY TIMETABLE

ACTION	DATE (2015)
BC Hydro to publish Public Notice	Wednesday, October 7
Registration of interveners and interested parties	Wednesday, October 14
Written submissions from interveners and the Applicant on matters raised in Appendix B of this order	Wednesday, October 14
Reply submissions on written submissions from interveners and the Applicant	Wednesday, October 21
BCUC Information Request (IR) No. 1 to BC Hydro	Tuesday, November 10
Intervener IR No. 1 to BC Hydro	Tuesday, November 17
BC Hydro's Responses to IR No. 1	Friday, December 18
	DATE (2016)
Procedural Conference	Tuesday, January 12
Streamlined Review Processes, if any	3 rd week of January

British Columbia Hydro and Power Authority
2015 Rate Design Application

Issues to be Addressed in Submissions

The Commission invites submissions, in accordance with the Regulatory Timetable in Appendix A, on the following matters:

1. BC Hydro's recommendation that the review process for the F2016 Cost of Service (COS) study, which could consist of a Negotiated Settlement Process (NSP), be addressed at its proposed December 2015 procedural conference.¹ The Commission wishes to hear from all parties their positions on the significance of the F2016 COS study in the 2015 RDA given the recent [B.C. Reg 140/2015 Order-in-Council \(OIC\) 405](#) dated July 15, 2015. This OIC set out that for F2017, F2018 and F2019, the Commission must not set rates for BC Hydro for the purpose of changing the revenue-cost ratio for a class of customers. The Commission wishes to hear: (a) if this F2016 COS study should be subject to Commission approval, endorsement, or to be limited in its use as a contextual document for rate design; and (b) if there should be a full review whether it should be undertaken as a NSP.
2. BC Hydro's proposed accelerated process for Large General Service customers and Medium General Service customers who are without historical baseline to take service at 100 percent Part 1 Pricing.² The Commission wishes to hear the need, if any, of a final order, separate from the main final order, for the different treatment of accounts who do not have historical baselines, including: (a) an accelerated process to make the proposed 100 percent Part 1 pricing effective January 1, 2016; (b) that it be reviewed by way of a written hearing; and (c) BC Hydro's proposed timetable.
3. BC Hydro's proposed expedited processes for (i) freshet rate pilot for Transmission Services, requesting approval by February 1, 2016; (ii) Pricing Principles for Rate Schedule 1823; and (iii) other existing Transmission Service rates.³ The Commission wishes to hear the need for an order for the freshet rate pilot by no later than February 1, 2016, as well as the Streamlined Review Processes (SRP) and timetable proposed for the above three matters.
4. BC Hydro's proposed expedited process for Minimum Reconnection Charges in the electric tariff terms and conditions, requesting approval for implementation April 1, 2016.⁴ The Commission wishes to hear the positions from parties on the SRP expedited process and timetable proposed by BC Hydro.
5. Finally, any other relevant matters that parties wish to bring to the attention of the Panel before the procedural conference.

¹ Exhibit B-1, Application, p. 1-26

² Ibid.

³ Ibid., p. 1-24

⁴ Ibid., p. 1-25

PUBLIC NOTICE

BRITISH COLUMBIA UTILITIES COMMISSION



BRITISH COLUMBIA HYDRO AND POWER AUTHORITY 2015 RATE DESIGN APPLICATION

On September 24, 2015, British Columbia Hydro and Power Authority (BC Hydro) filed its 2015 Rate Design Application (RDA) with the British Columbia Utilities Commission (Commission). The 2015 RDA is composed of a cost of service study and BC Hydro's proposals regarding the default rate structures for serving all seven customer classes: residential, small general service, medium general service, large general service, irrigation, street lighting, and transmission.

The 2015 RDA also includes proposed changes to standard charges in the electric tariff terms and conditions, including consideration of non-integrated areas rate design, optional rates, transmission extension policy, and distribution extension policy.

HOW TO GET INVOLVED

Persons wishing to actively participate in the proceeding must register as an intervener through the Commission's website at www.bcuc.com or in writing by October 14, 2015. Registrants must identify the issues they intend to pursue and indicate the extent of their anticipated involvement in the review process. Interveners will each receive a copy of all non-confidential correspondence and filed documentation, and must provide an email address if available.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as an interested party through the Commission's website or in writing, also by October 14, 2015, identifying their interest in the proceeding. Interested parties should review documents filed for this proceeding on the Commission's web site, under *Current Applications*: <http://www.bcuc.com>. A copy of the decision will be emailed to all registered participants when it is released.

Letters of comment may also be submitted. All submissions and/or correspondence received relating to the Application are provided to the panel and all participants in the proceeding. Submissions are placed on the public record and posted to the Commission's website. By participating and/or providing comment on the Application, you agree that all submissions will be placed on the public record and posted on the Commission's website.

If you wish to attend the Procedural Conference please register with the Commission Secretary using the contact information provided at the end of this notice.

Procedural Conference	
Date:	Tuesday, January 12, 2016
Time:	Commencing at 1:30 p.m.
Location:	Commission Hearing Room 12 th Floor, 1125 Howe Street Vancouver, BC

VIEW THE APPLICATION

The Application and all supporting documentation are available on the Commission's website on the "Current Applications" page. If you would like to review the material in hard copy, it is available to be viewed at the locations below:

British Columbia Utilities Commission Sixth Floor, 900 Howe Street Vancouver, BC V6Z 2N3 Commission.Secretary@bcuc.com Phone: 604-660-4700 Toll Free: 1-800-663-1385	British Columbia Hydro and Power Authority Regulatory & Rates Group 333 Dunsmuir Street, 17 th Floor Vancouver, BC V6B 5R3 Phone: 604-623-4046
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FOR MORE INFORMATION OR TO REGISTER

For more information or to register please contact Ms. Erica Hamilton, Commission Secretary using the contact information above.