



December 13, 2016

**BRITISH COLUMBIA UTILITIES COMMISSION
SIXTH – 900 HOWE STREET
VANCOUVER, BC V6Z 2N3**

Attention: Ms. Laurel Ross, Acting Commission Secretary

**RE: APPLICANT REPLY ON FURTHER PROCESS
SHANNON ESTATES THERMAL ENERGY SYSTEMS RATE APPLICATION**

In accordance with the regulatory timetable established by British Columbia Utilities Commission (BCUC) Order G-161-16A, Shannon Wall Centre Rental Apartments Limited Partnership (SWCRA) provides its reply on further process for the setting of rates for Shannon Estates Thermal Energy System (SETES).

We are in receipt of new Interested Party documents enumerated D-7 to D-17, new Letter of Comment E-3, and new Intervenor documents enumerated C-3-1 to C-8-1.

No comment was provided on the process suggested on SWCRA's submission dated November 29, 2016 on further process (Exhibit B-10) for the following Interested Party / Intervenor submissions:

Exhibit C4-1, C6-1, C8-1, C-7-1, D-7, D-7-1, D-8, D-9, D-10, D-11, D-12, D-13, D-14, D-15, D-16, D-17

Exhibit C3-1 (Mr. Michael Lui) and C5-1 (Mr. Douglas &/or Tong Chow) discusses disclosure and review of the costing model. Their request appears to be for the same confidential filings as Mr. Dean Thomas Fox requested in his letter dated October 11, 2016. We would provide the same information to these other two intervenors provided they return the signed confidentiality declaration and undertaking form.

SWCRA provides no further comments at this time on the above as no other comments were identified as pertaining to further process.

We provide the following reply to Exhibit C-7-2, from Mr. Fox:

Exhibit C-7-2 Page 1

"It is respectfully submitted that the BCUC did not authorize the applicant to modify its application "...to a different form and rate structure than what was previously submitted." This intervenor reserves the right to object to such a modified application. Further, a modified application with a different form and rate structure may require more time to review, compare and formulate information requests and submissions with the assistance of an expert."

Exhibit B-1 identified the rates application as applying for final approval for rates schedule, terms and conditions, and interim relief of the same. No variation is being sought at this time for the interim relief applied for and approved by Commission Order G-77-16 (Exhibit A-1). It is the final approval of the rates application, which may involve alteration of the form and rate structure of that which is applied for, the regulatory process addresses to establish fair, just, and equitable rates. It is inconsistent with a fair regulatory process to disallow recommendations/suggestions to modify the form and rate structure of only a single stakeholder, in this case SWCRA.

Per BCUC Commission Order G-161-16A (Exhibit A-9-1), "the evidentiary record for the review of the Shannon Estates Thermal Energy Utility (SETES) Rates Application (Application) is reopened and the regulatory process is to proceed in



accordance with the Regulatory Timetable as set out in Appendix B to this order.” By ordering the reopening of the evidentiary record and allowing new and past parties to participate in the rates application, the Commission has authorized new/different developments and understandings of the Thermal Energy System Utility to be addressed through the regulatory process. The order did not limit who may participate nor whether participants may recommend modifications to the form and/or rate structure. It is logical, rational, and fair for SWCRA to also be allowed to incorporate any new/different developments and understandings it has into the rates filing which could include modifications to the form and rate structure.

The entire process has been opened for the benefit of all current and future/potential stakeholders and this same benefit is equitably provided to the utility too. There is prior precedent in this application for the regulatory process to allow recommendations to modify the rate and structure, refer to the deferral account option discussed in BCUC IR-2 (Exhibit A-6). It would be reasonable for an equal opportunity to be extended to all parties. Ultimately, BCUC has the jurisdiction to accept/reject any such changes whether by further modifying the rate structure or reverting to previous structures and the regulatory process allows the ideas to be studied in a wholesome and efficient manner. SWCRA recommends it be allowed to modify the rates application to a different form and rate structure and the objections Mr. Fox can have be through participation in the regulatory information request process / argument about actual elements of the application / responses / arguments rather than being allowed to block new/different developments and understandings.

Exhibit C-7-2 Page 1

“The timetable proposed by the applicant is acceptable to this intervener subject to issues arising from the applicant’s proposed modified application.”

SWCRA has not finalized what modifications there may be to the application but anticipates the requested timeline is adequate for the level of modifications intended.

Exhibit C-7-2 Page 2

“On p. 5 of Appendix A to Order G-161-16A, the BCUC requested that the applicant address this intervener’s request to have access to the Confidential Filing. The applicant has not done so. In the absence of opposition by the applicant, I request access to the Confidential Filing. I am prepared to sign and file with the applicant and the Commission a Declaration and Undertaking form in respect of the use of the confidential information.”

Exhibit A-11 and Exhibit B-11 provide a path for Mr. Fox to access the requested data. To date, we have received no further communication from Mr. Fox in the matter of the release of SWCRA’s Confidential Reply Submission. We await either the Commission determination or further communication from Mr. Fox to address this matter.

Sincerely,

George P. Steeves, P.Eng
Director
Sterling Cooper NDY
GPS/jc

CC: Shannon Wall Centre Rental Apartments Limited Partnership