

WEISBERG LAW
C O R P O R A T I O N

2730 Ailsa Crescent
North Vancouver BC V7K 2B2
Reply to: Fred J. Weisberg
Telephone: (604) 980-4069
Email: fredweislaw@gmail.com

VIA E-FILE

April 24, 2017

Mr. Fred James
Chief Regulatory Officer
Regulatory & Rates Group
British Columbia Hydro and Power Authority
16th Floor - 333 Dunsmuir St.
Vancouver, BC V6B 5R3

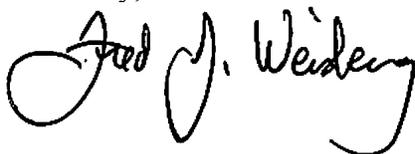
Dear Mr. James:

**RE: British Columbia Hydro and Power Authority
Project No. 3698869 /Order G-40-16
F2017-F2019 Revenue Requirements Application
Non-Integrated Areas Ratepayers Group ("NIARG")
Information Request No. 3**

In accordance with the Regulatory Timetable established by British Columbia Utilities Commission Orders G-20-17 (Exhibit A-22) and G-50-17 (Exhibit A-28), we enclose Information Request No. 3 on behalf of the Non-Integrated Areas Ratepayers Group.

If further information or clarification is required, please contact the writer.

Yours truly,



Fred J. Weisberg
Barrister & Solicitor
Weisberg Law Corporation
Counsel to the Non-Integrated Areas Ratepayers Group

**NON-INTEGRATED AREAS RATEPAYERS GROUP (“NIARG”)
INFORMATION REQUEST NO. 3 TO BC HYDRO**

April 24, 2017

BC HYDRO F2017-F2019 Revenue Requirements Application

A. Response to BCSEA

**28.0 Reference: LOW-CARBON ELECTRIFICATION
Exhibit B-20, Section 1.4, p. 11
Greenhouse Gas Reduction (Clean Energy) Regulation, Order in Council
No. 101**

Preamble: The Greenhouse Gas Reduction (Clean Energy) Regulation, Order in Council No. 101 includes as a prescribed undertaking a program to encourage the public utility’s customers, or persons who may become customers of the public utility, to use electricity instead of other sources of energy that produce more greenhouse emissions (subject to certain conditions).

28.1 In meeting the prescribed undertaking, does BC Hydro intend to develop a single program applicable to all of BC Hydro’s service territory throughout British Columbia, or develop separate programs for each of Zone I, Zone IB and Zone 2?

28.2 Please provide the rationale for BC Hydro’s choice of a single province-wide program vs. separate programs for each Zone in BC Hydro’s service territory.

28.3 If BC Hydro intends to develop a single province-wide program please discuss how such a program will adequately reflect and accommodate the specific circumstances in each Zone (e.g. hydro as the primary generation source in Zone IB, diesel as the primary generation source in Zone II, general absence of access to other fuel choices such as natural gas or oil in Zone IB and Zone II, challenges created by remoteness and limited access to Zone IB and Zone II, etc.).

B. Response to Zone II Ratepayers Group

**29.0 Reference: RESPONSE TO EVIDENCE OF ZONE II RATEPAYERS GROUP
Exhibit B-20, Section 5, pp. 44, 47
Funding levels, reporting
Exhibit A-29, Commission Information Request 345.0**

Preamble: BC Hydro states on page 47 of its Rebuttal Evidence that it does not believe increased reporting on Zone II DSM is required. Commission Information Request 345.0 seeks DSM spending for the NIA as a percentage of NIA revenues compared to DSM spending in Zone I as a percentage of Zone I revenues.

29.1 Please discuss BC Hydro's view of the value and potential limitations of the requested comparison.

29.2 Please identify and discuss circumstances in Zone IB and Zone II that may justify a **higher** percentage (i.e. of DSM spending as a percentage of revenues) in the NIA than in the integrated areas.

29.3 Please identify and discuss circumstances in Zone I that may justify a **lower** percentage (i.e. of DSM spending as a percentage of revenues) in the integrated areas than in the NIA. Please include and address the effects on DSM spending in Zone I due to the presence and proportion of other customer classes (e.g. Large General Service and Transmission).

29.4 Please discuss the extent to which a different percentage (i.e. DSM spending as a percentage of revenues) may be required in the NIA compared to the integrated areas as a consequence of Order in Council No. 101 or other government direction. Please specifically discuss how meeting the requirements of Order in Council No. 101 or other government direction may be more difficult if DSM spending as a percentage of revenues is the same in the NIA as it is in the integrated areas.

29.5 Please compare the benefits and disadvantages of reporting annually on the implementation of BC Hydro's DSM programs in the NIA.

C. TERMINATION OF ACCENTURE BUSINESS SERVICES

30.0 Reference: **TERMINATION OF ACCENTURE BUSINESS SERVICES (ABSBC) CONTRACT Exhibit B-20, Section 6, pp. 50-52; Exhibit B-1-1, Appendix A, Tab 5S; Exhibit B-9, BCUC IR 35.4, 35.5 Financial information**

Preamble: In Exhibit B-20 on p.51 BC Hydro states its best estimate at this time of the termination of the ABSBC contract is "the net impact on revenue requirements for the current test period will be in the range of \$0 - 2 million."

30.1 Please provide details regarding the nature (e.g. item/category, specific tasks, justification, etc.) of the expected costs giving rise to the \$0 – 2 million net impact and the expected \$ range for each cost item/category.

30.2 Please identify and discuss the factors most likely to result in the net impact being at or close to the low end (i.e. \$0) or the high end (i.e. \$2 million) of the expected range.

30.3 Does BC Hydro currently contemplate any circumstances that may result in the net impact exceeding \$2 million? If so, please identify. If not, please describe the basis for BC Hydro's confidence that the net impact will not exceed a \$2 million increase in revenue requirements.

30.4 As Exhibit B-20 on page 51 states BC Hydro is "not requesting a new regulatory account or seeking to use an existing regulatory account for the deferral of costs or savings related to the termination of the Accenture contract ..." how will such costs or savings be recorded in the likely event that they are not \$0?

30.5 Please confirm that BC Hydro commits to specify the total net impact of the termination of the ABSBC contract on revenue requirements and provide supporting details in its next Revenue Requirements Application.

30.6 Please confirm that BC Hydro's termination of the ABSBC contract was motivated primarily by anticipated cost savings in the test period and/or the long term. If not, please identify and discuss BC Hydro's primary motivation for terminating the ABSBC contract.

30.7 Were anticipated cost savings the primary motivation for BC Hydro entering into the ABSBC contract in the first place? Please explain.

30.8 Does BC Hydro anticipate that repatriation of services previously contracted out to ABSBC will likely result in net cost savings and customer service improvements that make it easier for customers to do business with BC Hydro?

30.9 Please describe why BC Hydro expects that ABSBC could not "adapt and grow these services and align them with [BC Hydro's] business needs" (Exhibit B-20, p.48)?

30.10 Doesn't ABSBC's apparent inability to grow and adapt services as necessary to align with BC Hydro's business needs indicate that a crucial component of the partnership with ABSBC was unsuccessful? Please explain.