

BRITISH COLUMBIA UTILITIES COMMISSION
IN THE MATTER OF THE UTILITIES COMMISSION ACT
R.S.B.C. 1996, CHAPTER 473

And

FortisBC Energy Inc. (FEI)
2016 Rate Design Application

Vancouver , B.C.
July 5th, 2017

PROCEDURAL CONFERENCE

BEFORE:

K. Keilty,	Panel Chair
W. Everett,	Commissioner
D. Enns,	Commissioner

VOLUME 4

APPEARANCES

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C. WEAVER	Counsel for Commercial Energy Consumers Association of British Columbia (CEC)
L. WORTH K. FEENEY	Counsel for British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, and The Tenant Resource and Advisory Centre (BCOAPO)
D. BURSEY	Counsel for Teck Resources Limited, Domtar Inc., Weyerhaeuser Company Limited and Zellstoff Celgar Limited Partnership (Industrial Customer Group/ICG)
W.J. ANDREWS	Counsel for B.C. Sustainable Energy Association and Sierra Club of B.C. (BCSEA/SCBC)

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CAARS

VANCOUVER, B.C.

July 5th, 2016

(PROCEEDINGS COMMENCED AT 9:00 A.M.)

THE CHAIRPERSON: Have a seat.

Good morning. My name is Karen Keilty, and I am the Panel Chair for review of FEI's 2016 rate design application. With me today are Commissioners Doug Enns and Bill Everett.

On May 2nd, 2017, by Order G-30-17, the Commission established regulatory process for the review of FEI's 2016 rate design application. The last action item in the regulatory timetable is this procedural conference.

The purpose of this procedural conference is to seek input from FEI and registered interveners on further regulatory process to review the application.

By letter dated June 28, 2017, filed as Exhibit A-10, the panel requests that FEI and interveners address a number of items by providing input on questions applicable to these items. I will note the items on which the panel is seeking input, but I'm not going to read the entire list of questions. Please refer to Exhibit A-10 for the detailed questions applicable to each item. The items

1 to be addressed are item (a), early decision on key
2 topics; item (b), FEI's transportation service review;
3 item (c), all other issues.

4 FEI and interveners were encouraged to file
5 their responses to the questions on Tuesday, July 4th,
6 2017. FEI's response was filed as Exhibit B-12 and
7 BCSEA also filed its response in advance of this
8 conference. We also have written submissions from ICG
9 and Cascadia Energy Limited.

10 **Proceeding Time 9:03 a.m. T02**

11 In addition to the items included in
12 Exhibit A-10, the Panel notes that on June 28th, 2017,
13 BCOAPO filed Exhibit C3-4, stating its Intent to file
14 intervener evidence on rate design issues related to
15 FEI service to low and fixed income ratepayers. Since
16 this evidence may impact the regulatory process and
17 timetable, the Panel is seeking more information
18 regarding BCOAPO's intervener evidence.

19 After appearances the Panel would like
20 BCOAPO to (1) discuss the nature of the evidence; (2)
21 explain if it could potentially impact FEI's cost of
22 service allocation; (3) discuss when it expects to be
23 ready to file evidence; and (4) suggest a process for
24 dealing with the evidence and estimate how long this
25 process would take, including how long it would take
26 BCOAPO to respond to IRs on the evidence. It would be

1 helpful if BCOAPO could produce a draft timetable for
2 dealing with their intervener evidence.

3 Other parties will have the opportunity to
4 respond to BCOAPO's information as an additional item
5 which we can refer to as Item (c), Question 11.

6 At this stage I would like to acknowledge
7 and introduce a number of individuals. Errol South
8 and Marija Tresoglavic are some members of Commission
9 Staff assisting on the review of the application.
10 Paul Miller from Boughton Law Corporation is
11 Commission Counsel for the proceeding. And Hal
12 Bemister is the Hearing Officer.

13 Before Mr. Miller takes over I'll ask that
14 your submissions be directed to the items that I've
15 just outlined, together with any other issues that you
16 or any of the other participants identify and that the
17 Panel accepts as appropriate for addition to the
18 agenda. In identifying any issues in addition to the
19 requested submissions, please bear in mind that it is
20 not the purpose of this procedural conference to
21 consider or discuss the merits of the application, but
22 rather to address the items that I've just described.
23 In the Panel's view the issues are most efficiently
24 canvassed collectively as opposed to topic area by
25 topic area. But if anyone disagrees we are prepared
26 to consider an alternative approach you may suggest.

1 My name is Chris Bystrom, last name spelled B-Y-S-T-R-
2 O-M. I am content to address all the topics
3 collectively, and I have no issues to add to the
4 agenda.

5 THE CHAIRPERSON: Thank you.

6 MR. MILLER: Commercial Energy Consumers Association.

7 MR. WEAVER: Good morning, Madam Chair, members of the
8 Commission Panel. My name is Chris Weaver, appearing
9 for the Commercial Energy Consumers Association of
10 British Columbia. My last name is spelled W-E-A-F-E-
11 R. And I am content to deal with all of the matters
12 in one appearance, and I have no issues to add to the
13 agenda this morning. Thank you.

14 MR. MILLER: B.C. Old Age Pensioners' Organization *et al.*

15 MS. WORTH: Good morning, Madam Chair, members of the
16 panel. Leigha Worth, W-O-R-T-H, here as counsel,
17 along with my co-counsel, Kate Feeney, F-E-E-N-E-Y,
18 here on behalf of the group in this process known as
19 BCOAPO *et al.*

20 I am content to deal with all of the
21 matters together, and I have nothing to add to the
22 agenda aside from the items that you've already
23 identified. Thank you.

24 MR. MILLER: Industrial Customers' Group.

25 MR. BURSEY: Good morning, Madam Chair, Commissioners.

26 My name is David Bursey. I'm appearing on behalf of

1 the Industrial Customers' Group, which is Teck,
2 Domtar, Celgar, and Weyerhaeuser. We're content to
3 deal with all the issues in one fell swoop, or one
4 appearance at the microphone, and nothing to add.
5 Thank you.

6 MR. MILLER: B.C. Sustainable Energy Association and the
7 Sierra Club of B.C.

8 MR. ANDREWS: William Andrews, A-N-D-R-E-W-S, for the
9 B.C. Sustainable Energy Association and Sierra Club
10 B.C. I am content to address all of the topics at the
11 same time. Thanks.

12 THE CHAIRPERSON: Thank you.

13 MR. MILLER: That concludes the order of appearances,
14 Madam Chair.

15 THE CHAIRPERSON: Thank you. Ms. Worth?

16 **SUBMISSIONS BY MS. WORTH:**

17 MS. WORTH: Madam Chair, members of the Panel, BCOAPO is
18 changing its direction somewhat in this process. But
19 I can advise that although we're in the early stages
20 of our planning for the evidence that I referenced in
21 my submission the other day, we are looking at
22 providing expert evidence and potentially ratepayer
23 attestations as well.

24 And the nature of that evidence would be
25 providing a rate relief model, and evidence on
26 appropriate terms and conditions to service low- and

1 fixed-income FEI customers. We would not expect that
2 it would actually impact FEI's COSA results, although
3 it would certainly reference cost of service in that
4 evidence.

5 **Proceeding Time 9:10 a.m. T04**

6 And then when we would actually be ready to
7 file the evidence, I would suggest that one month
8 after the second round of FEI IR responses are filed
9 would be an appropriate time. It would allow us to
10 spend time beforehand developing sort of a rough plan
11 for our evidence, and to have it roughed out, and then
12 to change it to incorporate any information, new or
13 modified, that may come out in that second round of
14 IRs. Obviously I'm getting a little ahead of myself
15 here. We are going to be advocating for a second
16 round of IRs.

17 And then on that, we would, for the IR
18 responses to that, if any were to be presented to
19 BCOAPO, BCOAPO would endeavour to respond within three
20 weeks after those IRs were filed. Unfortunately I
21 didn't have notice of your request that I draft a full
22 timetable. I hope that my submissions have been
23 somewhat illustrative, though, of what my draft
24 timetable would have been.

25 And if there is any other questions, I'm
26 happy to provide additional information.

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1 THE CHAIRPERSON: Thank you.

2 COMMISSIONER EVERETT: I couldn't write it down as fast
3 as you were saying it, but what did you say the expert
4 evidence will be addressing?

5 MS. WORTH: It would be a rate relief model.

6 COMMISSIONER EVERETT: Mm-hmm.

7 MS. WORTH: And terms and conditions as well, of service
8 to low- and fixed-income residential ratepayers.

9 THE CHAIRPERSON: Thank you.

10 MS. WORTH: Thank you.

11 COMMISSIONER EVERETT: Thank you.

12 THE CHAIRPERSON: Mr. Bystrom.

13 **SUBMISSIONS BY MR. BYSTROM:**

14 MR. BYSTROM: Madam Chair, Commissioners. FEI filed its
15 written responses to the items you requested
16 yesterday. I will also address Item (c), Question 11.

17 Just as a preliminary matter, I'm
18 struggling a little bit how to address BCOAPO's
19 evidence. We are told that they are going to be
20 proposing a rate relief model and terms and
21 conditions. I just find myself in a bit of a quandary
22 because I'm not exactly sure what that means, or what
23 that entails. So, it makes it difficult for us to
24 formulate a reply of any substance because we don't
25 really have an idea of what the intervener evidence is
26 going to be about.

1 I can leave that with you now. I'm happy
2 to address the other topics.

3 THE CHAIRPERSON: Okay. Thank you.

4 MR. BYSTROM: What I propose to do is simply summarize
5 our position that we have set out in writing already,
6 on the items the Commission asked us to address. To
7 spare you the time of hearing the details.

8 To begin with, item (a), early decision on
9 the key topics. As we have set out in the written
10 submission, FEI is supportive of the idea of the
11 Commission issuing an early decision on the topics of
12 the COSA studies and the range of reasonableness.
13 These topics are easily separated from the rest of the
14 application, and an early decision, in our view, would
15 simplify and inform the resolution of the other rate
16 design topics.

17 FEI is content to proceed with any further
18 process the Commission determines, but does believe it
19 would be reasonable to proceed to argument at this
20 time. The evidentiary record on these topics, in our
21 submission, is quite comprehensive and provides a
22 sufficient basis to proceed to argument. We address
23 this point in more detail in our written response to
24 question 2.

25 **Proceeding Time 9:14 a.m. T5**

26 As we set out in our written response, due

1 to resource constraints we are -- we have said the
2 preference would be for the next process steps to
3 begin in late August or shortly thereafter.

4 Turning to Item (b), FEI is also supportive
5 of the idea of a separate review of the Transportation
6 Service Review. Again, the Transportation Service
7 Review is discrete and can be easily and efficiently
8 separated from the rest of the application. While
9 we're content to proceed with any further process
10 required, FEI believes that a further round of
11 information requests on this topic would be
12 sufficient. And FEI is also open to a streamlined
13 review process if an oral component is deemed
14 necessary.

15 Teck Coal filed a letter of comment which
16 is marked as Exhibit E-1, which makes a number of
17 allegations related to the Transportation Service
18 Review. FEI requests an opportunity in the process to
19 respond to that letter of comment. And we've noted in
20 our written submission that we could do that and if
21 there's IR -- another round of information requests,
22 we could do that with our information request
23 responses or we could do it at a streamlined review
24 process. Or if neither of those things are ordered,
25 we'd just request a separate opportunity to respond.

26 I'm going to turn to Item (c). BCOAPO has

1 indicated their intention to file intervener evidence,
2 and FEI would request the opportunity to ask
3 information requests on that evidence and file
4 rebuttal evidence. Otherwise FEI is content to
5 proceed with the process the Commission determines is
6 reasonable. FEI believes it would be appropriate for
7 the remaining rate design issues to be resolved
8 through a written process. In our response to
9 Question 10, FEI has set out a number of reasons why
10 we believe that is the case. A solid evidentiary
11 foundation has already been laid, in our view, and the
12 issues are of a nature that can be resolved in
13 writing.

14 To the extent that the Commission finds
15 that there are issues that cannot be addressed in
16 writing, FEI's view is that a streamlined review
17 process would be preferable to an oral hearing. A
18 streamlined review process in our view would be
19 suitable for the issues as they are relatively
20 discrete and narrow, in our submission.

21 Turning now to BCOAPO's intervener evidence
22 and the issues -- questions that were posed, on the
23 topic of whether BCOAPO's proposals could impact the
24 COSA, I will make a couple of points on that.

25 As I said at the outset, I'm a little
26 uncertain as to what BCOAPO's proposals are, but if a

1 rate relief model includes something like a crisis
2 intervention fund or some kind of fund for relief for
3 low income ratepayers, this would result in extra
4 costs for FEI. In theory any new costs would impact
5 the result of the COSA model. However, we don't think
6 this would be an impediment to proceeding with an
7 early decision on the COSA studies. And there's a
8 couple of reasons for that.

9 First, we don't think that the costs would
10 be material enough to make a material impact on the
11 COSA study results. And the second one is that we
12 would propose that if we get to the point where the
13 Commission has directed FEI to implement a rate relief
14 model, whatever that may be, we would have to design
15 that and it would have to be approved separately. And
16 if it is a pilot program, as the one that BC Hydro was
17 directed to do, there would need to go through a pilot
18 stage and so on. My point being that these costs
19 would be incurred some time down the road and wouldn't
20 be known until all those details are worked out, and
21 we would propose to deal with those new costs in the
22 ordinary course in the revenue requirement process
23 outside the COSA model.

24 **Proceeding Time 9:19 a.m. T6**

25 And again, I am struggling a little bit
26 because I don't have enough details about what BCOAPO

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1 is proposing, but to the extent that their proposals
2 relate to low income rates that the Commission has
3 already determined are not within its jurisdiction to
4 order, then I would suggest that it would be
5 preferable to defer the hearing of those matters until
6 after the Court of Appeal process that is underway.
7 As the Commission is aware, in BC Hydro's rate design
8 application, the issue of low income rates was
9 discussed at some length. The Commission made a
10 number of determinations with respect to those -- to
11 low income rates. BCOAPO is pursuing an appeal, and
12 in our view, re-litigating those same issues in this
13 proceeding, so soon after it has already been done,
14 and while the appeal process is underway, would not be
15 an efficient way to proceed. And to the extent that
16 BCOAPO proposes to do that, we would suggest that it
17 would be preferable to defer that until after we have
18 certainty from the courts and can then determine
19 whether -- how to proceed after the court's decision.

20 If BCOAPO's timeline for filing their
21 evidence seem to depend on a further round of
22 information requests, it might be helpful to hear from
23 them how long it would take in the absence of a second
24 round, or there is the potential for them to file the
25 evidence first and then have IRs on all the evidence
26 before the Commission. We are objecting to a second

1 round of information requests on other hearing items,
2 but it might be helpful to hear from them the details
3 of how long it would take to prepare their evidence
4 without reference to another process step.

5 I think with those submissions I will sit
6 down, and listen to my friends submissions, unless
7 there are any further questions.

8 THE CHAIRPERSON: Questions? Thank you.

9 Mr. Weafer?

10 **SUBMISSIONS BY MR. WEAFER:**

11 MR. WEAFER: Madam Chair, members of the Panel, I do
12 apologize, I was out of town until last night and did
13 not file written submissions. But I think my comments
14 are going to be fairly straight forward and hopefully
15 understandable and very persuasive, but we'll see.

16 Dealing with topic one, and the early
17 decision on the two key topics identified, the CEC is
18 not supportive of that, and I will give you four
19 reasons why. Starting off with it's not clear as to
20 why it is necessary or helpful.

21 This is the first significant rate design
22 process for FEI in several years, if not a couple of
23 decades. So, the decision you are going to write is
24 an important one, and we think that the decision
25 should be a comprehensive decision covering the topics
26 and preferably all in one piece.

1 The other concern we have is a practical
2 one, which is timing. To be gearing up to be writing
3 arguments on what are pretty important topics in this
4 proceeding, while at the same time preparing for other
5 processes on the transportation issues or other issues
6 creating multiple processes, isn't necessarily
7 efficient for participants who may not have the
8 resources to assign different teams to different
9 tasks. So, in terms of fairness to participants,
10 again, the early decisions and having to write
11 arguments on those topics, in a disjointed way, can be
12 problematic.

13 The last point I'll make is, I think, you
14 know, and it relates to where the bright lines are.
15 In this process we had a look at the COSA studies as
16 kind of a first phase. The Elenchus study talked
17 about the COSA studies. And there wasn't -- there's
18 not a lot of dispute about what went into the creation
19 of those studies. There certainly is dispute about
20 the range of reasonableness topic. And if the
21 Commission is -- in how it's described, an early
22 decision, is talking about also the range of
23 reasonableness question, well that's a fairly
24 fundamental question in this process, and certainly
25 not something an early decision should be made on
26 without more process. And I'll get to that in later

1 submissions, but -- so we don't endorse parsing off
2 key topics for early decision.

3 Moving to process on these and the other
4 issues identified in Exhibit A-10, the CEC is very
5 supportive of an SRP process in this proceeding. And
6 I'll say that now. We're applying that to the
7 transportation tariffs as well as the other issues,
8 just so I'm not repeating myself through the three
9 primary topics. We think the SRP lends itself to the
10 Commission seeing a discussion on key topics and
11 seeing -- of a credibility process that you'd see in
12 an oral hearing, but obviously more efficiently
13 through an SRP.

14 And the key issue for us is the range of
15 reasonableness question. We think a discussion with
16 the expert consultants of Fortis, as well as the Staff
17 consultant, will be a helpful exercise to us, and we
18 think to the Commission Panel as well. And we're not
19 asking for an oral hearing on that. We think we can
20 do it through an SRP. The specific requests we would
21 have on the SRP structure is that there be a focused
22 time for that topic. That's a key topic. There may
23 be other key topics, but we would propose a
24 modification to the typical SRP where all questions
25 are asked and it go around the room.

26 Track 8

1 **Proceeding Time 9:28 a.m. T8**

2 This is a key topic. Others may have others that
3 should be hived off, but we would certainly like to
4 see it targeted, period, in the SRP on this topic.

5 And again I'd reiterate, this is a pretty
6 fundamental topic for the Commission in this, in other
7 reviews, and so the better sense you can get of the
8 arguments through seeing some oral testimony as
9 opposed just to written testimony, we submit, will be
10 helpful for the Panel.

11 The CEC is not looking for another round of
12 IRs. We're content if you do the SRP process that we
13 could deal with what we need to there. It may result
14 in some undertakings. There may be some questions
15 that result in further efforts from Fortis to flesh
16 out the record a bit if they come up in the process of
17 -- but as opposed to schedule another round of IRs,
18 we're content to do that, we think most efficiently,
19 through the SRP.

20 Lastly, and again this is covering all
21 three, the two primary topics, transportation and
22 other issues, we do advocate a written argument after
23 the SRP as opposed to an oral submission at the end of
24 that process. There are a number of technical and
25 complicated issues in rate design that counsel can't
26 necessarily deal with on their feet at the end of an

1 SRP, so -- at least this counsel anyway. So the
2 written submission we think will also assist the Panel
3 in terms of a comprehensive written argument on all
4 topics. Getting back to my first point, this is an
5 important process. And so having written submissions
6 on all issues at the end of the SRP we think will be
7 helpful to the Panel and create a useful conclusion to
8 the process.

9 So those are the high level principal
10 approaches we think make sense for this proceeding.
11 So going through the balance, that's all under Topic
12 (a), but as you'll know, those are consistent with
13 respect to the Transportation Service Review. We
14 would see -- we understand the point that certain rate
15 classes are more impacted by this than others, so we
16 would suggest there's probably at least a two-day SRP
17 and moving the Transportation Service Review to the
18 second day and carving it off of -- if there are
19 parties who don't wish to be involved.

20 As I noted, we're not asking for further
21 IRs on the topic. We're happy with participation
22 through an SRP. Others may have more of an interest
23 in it and we'd reserved the right if the Panel orders
24 a round of IRs, we may have a few. But we're not
25 asking for it.

26 Turning to all other issues, again we

1 support -- with the complication of the BCOAPO I'll
2 address that now. Excuse me for a moment.

3 The BCOAPO, in fairness the BCOAPO
4 indicated they were going to be putting in evidence
5 and we've got more detail today on process, and it
6 raises a reinforcing point from our perspective in
7 terms of the revenue-to-cost ratios and the existing
8 subsidy from commercial class to residential class.
9 Obviously that's going to be our argument. I'm not
10 making it now.

11 Clearly, creation of any subsidy or further
12 program to deal with low income in our view will be
13 helpful to our submissions in terms of moving to
14 unity. The jurisdictional question is there. But it
15 does complicate matters in terms of waiting to the end
16 and making argument on all matters if in fact there
17 are going to be submissions on a crisis fund or a low
18 income fund. So I'm not making arguments here. I'm
19 just saying it does support the idea that a decision
20 should be -- no decision should be made on any issues
21 until all evidence is heard, and the BCOAPO evidence
22 may complicate matters. In fairness, they have the
23 right to seek your approval to file and process that
24 you approve, but it may complicate the decision and
25 again supports leaving the decision to the end of all
26 process.

1 **Proceeding Time 9:32 a.m. T09**

2 We don't have any particular submission in
3 the sense that BCOAPO seems to be building its
4 proposal as we stand here today. So, we'll wait to
5 see what else comes in from BCOAPO on process, and
6 what evidence will be filed, but we're a little at sea
7 right now and defer somewhat to Fortis, who has to
8 deal with it. We would certainly have a round of
9 Information Requests on that evidence if filed.

10 But otherwise, and again I'm being
11 repetitive now, otherwise no further IRs on other
12 issues. We're content to deal with that through an
13 SRP process.

14 With respect to timing, we're flexible. We
15 recognize it's -- August looks like it may be a month
16 of -- maybe this year than we wish to be. We are
17 comfortable moving to the SRP in August, and moving to
18 argument in September/October. I know Fortis has a
19 concern with respect to timing of the annual review.
20 August is certainly before that process starts. And
21 it would appear that we're ready to answer IRs in
22 August. So an SRP, moving those resources to an SRP,
23 should work. But Mr. Bystrom can speak to that.

24 So, absent any questions from the Panel,
25 those are our submissions.

26 COMMISSIONER EVERETT: When were you saying the SRP

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1 should be held?

2 MR. WEAVER: We are comfortable with it in August. I'm
3 probably the only person in the room who will say
4 that, but we recognize you need to move forward. And
5 as I say, we're not asking for further IRs on the
6 issues, so if that works for the Panel, that's
7 acceptable to CEC. We're fairly flexible with respect
8 to timing.

9 THE CHAIRPERSON: Okay, thank you.

10 MR. WEAVER: Thank you.

11 THE CHAIRPERSON: Ms. Worth?

12 MS. WORTH: Madam Chair, members of the Panel. There was
13 actually an issue that Mr. Bystrom brought up in his
14 submissions that I actually think would benefit from
15 having a brief discussion with him, just to clarify
16 exactly what his idea was. It was the suggestion that
17 we defer our evidence until a later date.

18 I just wanted to -- if we could perhaps
19 stand down for a few minutes, just so that I could
20 speak to Mr. Bystrom about what exactly he meant by
21 that, so that I can respond to exactly what it is that
22 he was suggesting.

23 THE CHAIRPERSON: Okay. We'll take five minutes.

24 MS. WORTH: Thank you.

25 **(PROCEEDINGS ADJOURNED AT 9:35 A.M.)**

26 **(PROCEEDINGS RESUMED AT 9:50 A.M.)**

T10/11

1 THE CHAIRPERSON: Have a seat.

2 Ms. Worth.

3 **SUBMISSIONS BY MS. WORTH:**

4 MS. WORTH: Thank you for your indulgence.

5 I would like to begin my submissions by
6 apologizing if I was unclear on my initial submissions
7 this morning. When I read the Commission's
8 questioning context regarding whether this would
9 impact the COSA I understood that the question was
10 aimed at actually determining whether any impacts
11 would be material enough to prevent the early
12 resolution or decision that was referenced in
13 questions 1 of Item (a). There, of course, would be
14 some, hopefully, minor impacts to a COSA by terms and
15 conditions in assisting low income customers, but they
16 don't, in my mind, prevent an early resolution on that
17 issue.

18 I would like to begin my substantive
19 submission by agreeing with Mr. Weafer, this is an
20 important process and it's the first RDA in quite some
21 time. And it's in that context that we actually make
22 the submissions that we are today. And the reason
23 that we actually stood down for a few moments, at my
24 request, was Mr. Bystrom's suggestion that we somehow
25 defer the hearing, whatever format that might take, of
26 BCOAPO's evidence and our proposal. And we attempted

1 to discuss how that might actually might be formatted,
2 because we do have a Court of Appeal process that's
3 underway. And unfortunately, we weren't able to kind
4 of -- to figure out in the timeframe how that might
5 work. Mr. Bystrom has indicated that he is going to
6 leave that to the Commission to consider and that is
7 something that we are content to do as well.

8 COMMISSIONER EVERETT: So what is it you're leaving us to
9 consider, exactly?

10 MR. WORTH: Whether you would grant Mr. Bystrom's request
11 that perhaps BCOAPO's application for low income rate
12 relief and term and conditions be somehow hived off
13 and deferred until after we either have a legislative
14 change or a decision from the Court of Appeal on the
15 BC Hydro RDA.

16 THE CHAIRPERSON: Mr. Bystrom.

17 MR. BYSTROM: Thank you. I just clarify, we would
18 propose to defer those aspects that rely on the
19 Commission changing its determination on its
20 jurisdiction to order low income rates.

21 THE CHAIRPERSON: Thank you.

22 COMMISSIONER EVERETT: So you propose this Commission --

23 MR. BYSTROM: Happy to answer a question if you'd like.

24 COMMISSIONER EVERETT: I'm just trying to forget [*sic*]
25 what my questions was. I had it there for a moment.

26 You're proposing that we defer anything

1 that has to do with -- that comes under the rubric of
2 the decision that this Commission doesn't jurisdiction
3 to decide that issue.

4 MR. BYSTROM: Correct.

5 COMMISSIONER EVERETT: To another day?

6 MR. BYSTROM: Yes, until after the Court of Appeal --

7 COMMISSIONER EVERETT: Until after the Court of Appeal
8 has -- okay. Thank you. Sorry Madam Chair.

9 THE CHAIRPERSON: Okay.

10 MS. WORTH: If I may just have a moment. Okay.

11 Now, Mr. Bystrom had also made a suggestion
12 in his submissions that BCOAPO issue its evidence
13 before there's a second round of IRs, but it's our
14 position that that would actually seriously hamper our
15 efforts to produce the best possible evidence based on
16 the best possible information from the utility. It's
17 difficult enough for interveners like BCOAPO *et al* to
18 produce evidence in processes like this when they do
19 not have all the information and resources that are at
20 the utility's disposal, without unnecessarily hobbling
21 our efforts by expecting us to produce something that
22 may not actually have the best information possible.
23 We think it's best for regulatory efficiency to have
24 that opportunity to clarify any issues that we may
25 need in order to present that best evidence in a
26 second round of IRs and then to proceed in that

1 manner.

2 And I would like to also note that Mr.
3 Weafer's process suggestion is more of an expedited
4 oral hearing with an oral IR process than a true SRP.
5 My understanding from the one time I participated in
6 an SRP quite some time ago -- it was for another
7 Fortis matter -- that there's oral discovery, but then
8 there's also a resolution at the end of that. But
9 that's certainly a novel way of approaching it, having
10 a written process afterwards.

11 In response to the questions that the
12 Commission had actually presented in Exhibit A-10, in
13 BCOAPO's submission we haven't actually finished
14 discovery yet. So we are a bit concerned about
15 proceeding in the absence of any further discovery
16 with an early decision on the COSA or revenue-to-cost
17 ratios. And we're not sure whether there's any
18 appetite amongst the other groups for an NSP, but
19 there may be in the revenue-to-cost ratios some
20 utility in including that. Should certain topics go
21 to an NSP. For question 2 we would actually ask for
22 IRs on all topics, a second round of IRs on all
23 topics, and because of that we are finding it a little
24 difficult to actually make a substantive process
25 suggestion. We don't want to ask for an unnecessarily
26 onerous process, but we do see that there is more

1 discovery that needs to be made. And we feel that
2 making a process suggestion in the absence of a second
3 round of IRs actually having been asked and answered
4 hampers our ability to actually suggest the most
5 efficient process, because we're hoping that a second
6 round of IRs would actually resolve a lot of the
7 questions that interveners may have, and it may
8 actually put some potentially contentious issues to
9 rest.

10 In regards to Item (b), FEI's
11 Transportation Service Review, we too -- because we
12 weren't sure whether any of the parties were going to
13 be coming and suggesting an NSP, we were going to say
14 that the FEI's Transportation Service Review would be
15 something that we would like to remain on the table if
16 there is the possibility of an NSP. We do agree that
17 it is a separate issue and it is amenable to an early
18 resolution, but we would want to have that on the
19 table as well as there is the possibility of resolving
20 things through negotiation. If negotiation is not
21 possible on other issues, then certainly that is
22 something that we could see being dealt with in a more
23 streamlined process.

24 We do see that there is a need to gather
25 more evidence on this particular aspect, so we would
26 ask for further IRs on that.

1 **Proceeding Time 9:59 a.m. T12**

2 And we don't have a preference on when the
3 review would actually take place. We're content,
4 because this is an issue that appears to be somewhat
5 contentious, to let the parties whose interests are
6 more directly engaged present their positions on that.

7 We do ask that there be a round of --
8 another round of IRs on the Elenchus report that has
9 already been filed, and that there be a round of IRs
10 on the most recent one, and that was from June 23rd, I
11 believe. Because there hasn't been any discovery on
12 that, as of yet.

13 And we don't at this point think that there
14 would be any need for an oral process, streamlined or
15 otherwise, on the Elenchus reports in and of
16 themselves. We believe that those could be dealt with
17 in written submissions. However, if there is an oral
18 hearing that is ordered, we would reserve our right to
19 pursue those issues in that as well.

20 Subject to any questions, those are our
21 submissions.

22 THE CHAIRPERSON: Okay. Thank you.

23 MS. WORTH: Thank you.

24 THE CHAIRPERSON: Mr. Bursey?

25 **SUBMISSIONS BY MR. BURSEY:**

26 MR. BURSEY: Thank you. Yesterday we filed written

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1 responses to the questions posed by the Commission,
2 and that's Exhibit C9-3. I'll just go through that
3 briefly and elaborate on some of those points.

4 Okay. I do have that document. The basic
5 theme underlying our comments are to try to find an
6 efficient process to deal with the issues that are of
7 interest to the parties. We've been at this for quite
8 a while. There was a pre-hearing -- or a pre-
9 application process, series of workshops, that began
10 more than a year ago, and we're -- a year later, we're
11 still in the pre-application review phase. It's a bit
12 like waiting for a meal and it's off in the future.
13 We've gone through designing the menu, and now we have
14 the menu, and we can tell that there's some things
15 cooking in the kitchen but it's still a long way
16 before you get the meal.

17 The questions posed by the Commission offer
18 the opportunity to try to deal with some of the issues
19 separately and we applaud the Commission Staff and the
20 Commission for taking that approach. We think there
21 is great merit in that.

22 So, the first one is item (a), early
23 decision on key topics. The COSA study and the
24 revenue to cost ratio and margin to cost ratio issues.
25 We think those are discrete, and can be dealt with
26 separately.

1 you get a response say "No, no, that is not quite what
2 I meant, what I would like you to answer is this..." it
3 is far more effective and gets right to the point.
4 You can create a transcript, and deal with issues in a
5 day. Whereas if you're dealing with a second round of
6 information requests, it's very costly, time
7 consuming, and it takes a fair bit of time to write
8 the questions, and far more time to respond. So that
9 all adds to the cost and time. So back to the theme
10 of trying to be efficient. We don't think there is a
11 need for second round of information requests.

12 Another point on the information requests,
13 a lot of the information requests that are asked are
14 really not in the nature of asking for further facts
15 or evidence. They're really in the nature of asking
16 -- they're argument, "Would you agree this, or would
17 you agree that." Or "What is your position on that."
18 So, in the nature of policy evidence or argument. So,
19 it is not an efficient way to proceed.

20 If there is a streamlined review process,
21 we think that could be quite effective to deal with
22 any remaining questions or follow-up to questions that
23 have already been asked. At the end of the process we
24 would favour oral argument. Oral argument is far more
25 effective than written argument. Yes, it is
26 difficult, I agree with my friend Mr. Weafer, that it

1 takes a bit of effort to pull together the issues to
2 respond in an oral argument, but we can do that. You
3 get the added advantage of having a discussion with
4 the Commission, and you can hear the discussion from
5 the other parties at the same time. So, instead of
6 having the written arguments filed, which is often a
7 bit like the tower of babel, we're all talking with
8 different things and have different points, you can
9 draw together and engage on the issues far more
10 effectively through oral argument. And especially if
11 the argument is just focused on a couple of issues,
12 like the revenue to cost ratios, and the margin to
13 cost ratios, and the cost of service studies, oral
14 argument would be preferable in that case.

15 COMMISSIONER EVERETT: Mr. Bursey, you're not suggesting
16 that you dispense with written argument, but you
17 supplement it with oral? Is that what you're saying?

18 MR. BURSEY: No, I'm suggesting you dispense with written
19 argument.

20 COMMISSIONER EVERETT: Oh, you do, okay.

21 MR. BURSEY: You could just do it by way of oral
22 argument. The Commission used to have oral argument
23 all the time, and a lot of proceedings there is oral
24 argument. So, I think in this case that's entirely
25 possible, and I think it would work far better.

26 When you have to write written argument,

1 you have several weeks where you have to pour through
2 the record. It's a very expensive, time consuming
3 process to produce written argument, and you're
4 responding to argument from the other side. It adds
5 far more cost. If you have your oral proceeding and
6 then maybe a short break, a day or so, and you come
7 back for oral argument, it's far more effective. It
8 just gets it over with quickly, and you get a far
9 better exchange, and we can deal with the factual
10 questions that you have to deal with.

11 Question number four -- I realize my view
12 is may be a bit outlier from others, but I'm
13 expressing them as requested by the Commission.

14 **Proceeding Time 10:07 a.m. T14**

15 Question number -- "Please explain if you
16 have a preference for when the review of the above key
17 topics should occur." We suggested what might work to
18 proceed to argument in August, and intervener argument
19 in September, and then the Commission decision some
20 time in the fall. We're not -- we don't have a strong
21 preference about specific time.

22 The only point I have is the last week in
23 August, I will be away. But that's just a personal
24 issue and my wife and kids will kill me if I miss
25 that. But I can work around that point. So, we've
26 suggested a timetable we think would work, but we

1 don't have a strong view on that. It just -- we would
2 like the Commission to move forward with these issues
3 as quickly as possible.

4 Turning now to item (b), Transportation
5 Service Review. This is an excellent suggestion to
6 deal with these separately. These issues that are
7 identified there are the issues that my client group
8 is interested in. They are discrete from the other
9 issues in the proceeding, and they can be dealt with
10 effectively on their own.

11 If they are dealt with on their own, then
12 my client group would participate in that proceeding,
13 and we could probably do it in a day. And wouldn't
14 have to participate in the other part of the
15 application, which would be far more efficient from
16 the transportation service customers' perspective.
17 But also in the other proceedings it would make it
18 easier, because there's fewer parties that you're
19 dealing with. So you're able to focus on the relevant
20 issues with the relevant parties in the room.

21 So we would prefer a discrete proceeding.
22 A streamlined process to deal with these issues would
23 also be useful. So the response to question 6, yes,
24 further exploration, but by way of a questioning
25 opportunity, through cross-examination or through a
26 streamlined process ideally. So that response to

1 question 7 is another round of Information Requests is
2 not necessary. But a streamlined review process would
3 be an ideal way to deal with these issues.

4 And question 8, when would it occur? I've
5 stated we're in the Commission's hands in terms of
6 when it would occur, as long as it did occur
7 efficiently.

8 Item (c), all other issues. We respond to
9 both these questions, 9 and 10. We don't take any
10 position on the other issues. We'll leave that to the
11 other parties to decide what sort of process they
12 would like to deal with those issues.

13 The issue raised by my friend, Ms. Worth,
14 on behalf of the BCOAPO, about a rate design proposal
15 for rate relief for residential, the only interest my
16 customer group would have in that issue is if there is
17 any spill-over cost effect on other classes of
18 ratepayers. So, that we have -- we'd only have that
19 interest. But otherwise we would leave that to the
20 residential customers and Fortis to sort out how they
21 deal with that.

22 Subject to any questions, those are my
23 submissions.

24 THE CHAIRPERSON: Thank you.

25 Mr. Andrews.

26 **SUBMISSIONS BY MR. ANDREWS:**

1 MR. ANDREWS: I did file a letter of comment in advance,
2 and it was quite circumspect, and I'm glad that it was
3 because I've heard a lot of new information today.

4 **Proceeding Time 10:11 a.m. T15**

5 First of all, I'm going to I'm going to
6 remind myself and the Panel that we're trying to
7 balance three objections here: efficiency, fairness
8 to the parties, and effectiveness in terms of getting
9 a good decision. I may ramble a bit here because I
10 think that the issues are actually sort of best dealt
11 with as a whole.

12 Mr. Weafer argued in favour of all the
13 issues being dealt with at the same time, and I think
14 that there's a lot of merit to that position, with the
15 possible exception of the Transportation Service
16 topic. In particular it seems to me that the idea
17 that the low income evidence and issues could be
18 neatly divorced from the cost of service, I suspect is
19 not viable. Whether the effect of the low income
20 evidence, and we're totally speculating because we
21 haven't seen it, but whether it's minor in terms of
22 impact on the cost of service analysis, minor is going
23 to be in the eye of the beholder. And the content of
24 the low income evidence in the Hydro proceeding dealt
25 directly, among other things, with the cost of
26 service. So in the sense that there was an argument

1 that cost of serving particular customers was
2 different than other customers based on income.

3 So I would lean with Mr. Weafer's approach
4 that the cost of service and range of reasonableness
5 don't lend themselves to being carved out from the
6 rest of the proceeding.

7 In terms of a second round of IRs, there is
8 -- the one topic in which it seemed to me that there
9 was a concrete argument where there needs -- well,
10 several topics where it's been suggested that there's
11 content for a second round of IRs, one is the Elenchus
12 report on the rate design application. And another,
13 I'm not sure how explicit this was, but I would think
14 that if OEVO [*sic*] is going to provide evidence going
15 to low income rates, that in the Hydro proceeding they
16 asked quite detailed IRs to the utility regarding
17 aspects that were relevant to the arguments that they
18 were putting forward. If that's their intention, that
19 would be to me an example of a perfectly normal and
20 supportable reason for having a second round of IRs
21 and I would certainly support that.

22 In terms of other issues, I think I'm with
23 Mr. Bursey that we've had a lot of material filed in
24 the responses to the first IRs, and on many of those
25 issues, while one could ask a second round of IRs, I
26 think we may be -- I think we are past the point of

1 is, someone can make a motion to the Commission if and
2 when it appears desirable, and you can decide at that
3 point. In the meantime, the parties are entitled --
4 the interveners are entitled to file evidence, at
5 least if the Commission allows them to, and I think
6 it's from fairness that that would be appropriate.
7 OAPO [*sic*] has issued a notice that it would -- that
8 it intends to. And so I think that process should
9 unfold in the way that it normally does with -- they
10 would have an opportunity to ask IRs, their second
11 round, and file their evidence. There would be IRs on
12 their evidence. And then the next steps in the
13 proceeding would carry on.

14 In terms of the remaining issues, I think
15 we're -- the one thing that I haven't talked about is
16 oral hearing versus streamlined review process. I am
17 with the others who have declined to express the
18 desire for an oral hearing. I think an oral component
19 would be best done in the streamlined review process
20 context. Mr. Weafer has said there should be written
21 arguments after the streamlined review process, and
22 Mr. Bursey says oral arguments. That may be an issue
23 that can be left to the Panel at the streamlined
24 review process, and it may be that there are some
25 topics that are best suited for a follow-up written
26 argument, and other topics that could be addressed

1 orally.

2 So I think, subject to any questions, those
3 are my submissions.

4 THE CHAIRPERSON: Any questions? Thank you.

5 Mr. Miller?

6 **SUBMISSIONS BY MR. MILLER:**

7 MR. MILLER: Madam Chair, Staff have only a few comments
8 to make.

9 Before I address the items in the
10 procedural letter, I would like to address the concept
11 of -- I think what's been referred to as parking the
12 low-income evidence pending a resolution on the
13 jurisdictional question by the Court of Appeal.

14 So in that regard, my comments are on
15 timing. Of course it's a two-step procedure. First,
16 BCOAPO needs to be granted leave by the Court of
17 Appeal and then, if granted, there's the actual
18 appeal.

19 I don't believe the leave application will
20 be heard any earlier than early fall. If they are
21 successful in getting leave, I anticipate that it
22 would be most likely the end of the year, or beginning
23 of the next year, before the appeal was heard. And
24 then we're left with, how long will it take the Court
25 of Appeal to issue a decision. So it looks like we'd
26 be off some time into next year, by my best guess,

1 before we had resolution on the jurisdictional issue.

2 **Proceeding Time 10:20 a.m. T17**

3 And I just raise that in terms of timing,
4 because I know there is some sensitivity on Fortis's
5 part to get a decision on all matters by next year.

6 Going to the specific items in the Panel's
7 letter that they've asked parties to comment on, so,
8 on items (a), (b) and (c), the Staff are in favour of
9 further process. They have no preference for process,
10 whether that be IRs or streamlined review, but they
11 believe that further process is required on each of
12 the items.

13 So dealing specifically with item (a), the
14 key topics, COSA and the MC/RC ratios, Staff is in
15 favour of early decisions on those topics. They are
16 topics, I think, as Mr. Bursey said, that are discrete
17 in any event within rate design. And if those
18 decisions are made on those topics, and if updates are
19 required to the evidence from Fortis, then that can be
20 done in a timely and efficient manner. So we would
21 like that, to segregate those two issues and deal with
22 them early.

23 With respect to the Transportation Service
24 Review, item (b), for the reasons that have been
25 expressed, I believe, by almost everyone other than
26 Mr. Weafer, we believe it should be hived off and

1 dealt with separately. This aspect of the application
2 directly impacts a specific group of stakeholders,
3 with interests that are largely unrelated to the rest
4 of the application. And if it was hived off, those
5 particular customers could focus on the application
6 and it wouldn't necessarily require the involvement or
7 full involvement of all the other parties. So we
8 think that's an efficient way to proceed.

9 We do believe that the transportation
10 review, if it is hived off, should be carried out
11 after decisions are rendered on the cost of service
12 and the revenue-to-cost ratios, and margin -- MC and
13 RC ratios.

14 With respect to -- we have no other comment
15 on our other issues other than we believe that more
16 evidence -- we need further process to be able to
17 fully flesh out the issues, an informed decision can
18 be made. And again, we have no preference on whether
19 that's IRs, oral hearing, or streamlined review.

20 THE CHAIRPERSON: Any questions? Thank you.

21 MR. MILLER: Thank you.

22 THE CHAIRPERSON: Mr. Andrews?

23 MR. ANDREWS: I have nothing.

24 THE CHAIRPERSON: Mr. Bursey.

25 **REPLY BY MR. BURSEY:**

26 MR. BURSEY: One quick comment. Mr. Andrews talked about

1 possibly having a mix of oral argument and written
2 argument. Our preference would be, do it one way or
3 the other. So, it wouldn't split it. It wouldn't be
4 efficient to have some oral and some written.

5 The only caveat to that is, the Commission
6 often will, after written argument has been exchanged,
7 convene a time where there may be questions, specific
8 questions that come up from the written argument. And
9 that process is always helpful. So that's not the
10 same as having two types of argument and then having
11 that potential round for the Commission to ask
12 questions. Thank you.

13 THE CHAIRPERSON: Thank you. Ms. Worth?

14 MS. WORTH: Nothing to add.

15 THE CHAIRPERSON: Okay. Mr. Weafer?

16 **REPLY BY MR. WEAFER:**

17 MR. WEAFER: Just three points, and all related to the
18 written argument proposal, and the SRP. Ms. Worth
19 indicated that she wasn't aware of that being done,
20 and whether there was authority. It is in the
21 streamlined process review guidelines that the
22 Commission can order that written submissions are made
23 at the end of the streamline review process, so just
24 to clarify that.

25 **Proceeding Time 10:25 a.m. T18**

26 Mr. Bursey indicated that -- and we've both

1 been around this Commission for a couple of decades,
2 that it used to be there were oral arguments all the
3 time. I can't remember there being a material
4 application with complicated issues such as in one
5 like this where the was just oral argument.

6 So, generally the Commission has had
7 written argument and a process where there may be
8 questions on the written argument through an oral
9 phase. But I think on material applications such as
10 this with multiple issues, written argument has been
11 the preference of the Commission over the years.

12 On the last topic, and this was Mr. Miller
13 and Staff, and I think others have commented on this,
14 that in terms of carving off the Transportation
15 Service Review, and I realize we may be standing solo
16 on this, but as I read the issues the Commission
17 identified there's clearly an interplay with other
18 classes of customers with respect to giving tolerances
19 or penalties in dealing with the transportation
20 customers. So it does have an incidental effect on
21 other customers groups if preferential or positive
22 results occur there. So, that's why we think the
23 matters should be dealt with as one.

24 Thank you.

25 THE CHAIRPERSON: Thank you. Mr. Bystrom, do you need
26 any time?

1 MR. BYSTROM: Yes, you read my mind. If I could have ten
2 minutes or so to consult with my client and organize
3 my reply that would be appreciated.

4 THE CHAIRPERSON: So we'll come back at twenty to eleven.

5 MR. BYSTROM: Thank you very much.

6 **(PROCEEDINGS ADJOURNED AT 10:26 A.M.)**

7 **(PROCEEDINGS RESUMED AT 10:41 A.M.)**

T19/20

8 **REPLY BY MR. BYSTROM:**

9 MR. BYSTROM: Thank you for the time to prepare. I hope
10 that my submissions will be more organized now.

11 I will be making some comments in reply to
12 CEC and BCSEA. The topics -- on the issue of whether
13 the hearing should be heard all together or not, and a
14 few other matters. And then BCOAPO, I have some
15 reply, ICG as well, and finally Cascadia's written
16 submissions. I'll make some comments on their points
17 as well.

18 So, first, I'd like to make some comments
19 in reply to CEC's submission that the hearing --
20 sorry, that the application should be heard all
21 together, as opposed to having an early decision on
22 the key topics, or a separate review for the
23 Transportation Service Review. And I believe I heard
24 counsel for BCSEA also express some support for the
25 idea that it wouldn't be feasible to separate the low-
26 income evidence of BCOAPO from the COSA results. And

1 I have a number of points in reply to that.

2 The first one is that, in my submission,
3 having separate processes does not entail less
4 rigorous processes. I think that even though they're
5 separate, they can all be appropriately tailored to
6 have the rigorous process or as rigorous as need be,
7 and that in each separate review all parties can
8 participate if they wish, so that all views can be
9 heard. And for this reason, I don't think we would
10 have the issues that Mr. Weafer raises about a
11 potential separate review. I think it is feasible and
12 reasonable to in fact separate out certain components,
13 and do that in a fair and reasonable way.

14 The COSA studies and the range of
15 reasonableness are both discrete issues. The COSA in
16 particular is about the allocation of costs, and it's
17 quite separate from the rate design issues and the
18 other parts of the application. And for that reason
19 generally I do not agree that there is some reason why
20 they can't be separated.

21 If there happens to be some material
22 implication to the COSA results due to, say, the low-
23 income proposals, that can be addressed at a later
24 time. So, you could have an early decision on the
25 COSA. Later on you could hear the low-income
26 evidence, make a determination. If there is some

1 impact then on the COSA results, if the Commission
2 desires, that impact could be calculated and the early
3 decision adjusted if necessary. Or, that could be
4 dealt with in a revenue requirement process down the
5 road. So I think there's options for dealing with
6 those impacts if they should arise.

7 And if the Commission feels that it can't
8 separate out the COSA studies from the other parts,
9 which we think they can do, they could still have an
10 early decision on the range of reasonableness. I
11 think that's definitely a discrete issue that could be
12 heard separately and earlier. And as a number of
13 parties here have expressed, we think that there is
14 benefits to doing that.

15 **Proceeding Time 10:45 a.m. T21**

16 One should also point out that even if it's
17 all heard together, if we're going to have streamlined
18 review processes or process for these different -- for
19 the application, the company is going to need to sit
20 separate witnesses and people to speak to different
21 parts of the application anyway. So there won't be
22 one time at which all issues are on the table being
23 discussed by the same people. There will necessarily
24 be some division in any case.

25 And that brings me to Mr. Weafer's point
26 about having a streamlined review process for all

1 aspects of the application. I believe I heard Mr.
2 Weafer suggest a two-day streamlined review process,
3 commented on a time focused on the range of
4 reasonableness and suggested perhaps a separate day
5 for the Transportation Service Review. In our
6 submission, if we're going to have a streamlined
7 review process for all aspects of the application, the
8 company would request separate days staggered for
9 different components of the application. So a day for
10 the residential rate design, a day for commercial, a
11 day for industrial. As I've commented, there will be
12 different witnesses speaking to different aspects of
13 the rate design, and it's not practical for the
14 utility to have all the witnesses prepared to speak
15 back to back, for instance, on a single day; which
16 also leads to timing issues where you're worried about
17 cutting people off in times on certain topics. It
18 seems to us it would be more reasonable to have a
19 designated day per topic.

20 And in terms of BCOAPO's evidence, it may
21 be that once we see that evidence, that it would be
22 appropriate to have a separate day just for those
23 topics. That would depend, I think, on the scope of
24 that evidence and what it entails, but it may be that
25 it's large enough in scope that we need a separate
26 day. And a reason for that, for instance, would be

1 Elenchus, has now filed two reports. There's been IRs
2 on that as well.

3 So in our submission, we should be in a
4 position now to identify issues and identify the need
5 for process. And in my submission, BCOAPO's position
6 doesn't seem to take into account the amount of
7 opportunity that's already been had for parties to
8 understand the issue and ask questions.

9 For example, BCOAPO asked for the
10 opportunity to ask IRs on the Transportation Service
11 Review. I note that -- I don't believe that BCOAPO
12 did ask any IRs in the first round on that topic.

13 On the topic of a negotiated settlement
14 process, FEI is not in favour of a negotiated
15 settlement process in this case. It has been some
16 time since the Commission reviewed an FEI rate design
17 and, in our submission, it would be beneficial to have
18 the Commission do a full review and issue a decision,
19 with the reasons being public and available for future
20 generations, as it were, to see.

21 I'm going to turn now to ICG. I just have
22 a couple of brief comments. And that is that we're --
23 ICG submitted that it was in favour of a streamlined
24 review process for the Transportation Service Review,
25 and that it could happen in early September or
26 thereafter. And we are fine to proceed in that

1 fashion. And actually I think that's all I have to
2 say in reply to the ICG.

3 But that did remind me. I think on the
4 timing on an SRP -- I missed this point earlier,
5 apologies. But if there was going to be a substantial
6 streamlined review process on all aspects of the
7 application, I believe Mr. Weafer was mentioning late
8 August. We would propose some time in October in
9 order to have time to prepare for that. I also think
10 there is going to -- we need time for BCOAPO to file
11 its evidence, for IRs on that, and rebuttal evidence
12 on -- to BCOAPO. So there will be a number of process
13 steps before we would be in a position to have a
14 streamlined review process. So, October or wherever
15 it falls after the necessary steps would be where we
16 would propose that should fall.

17 Finally, I just have a few comments in
18 reply to Cascadia's written submissions. Cascadia
19 requested an additional round of IRs on the COSA
20 studies and range of reasonableness referencing the
21 fact that the proposals are omnibus in nature. FEI
22 doesn't agree with that characterization and just
23 notes that Cascadia didn't ask any IRs in the first
24 round on the COSA studies, and asked a limited number
25 on the range of reasonableness in the first round as
26 well.

1 Cascadia also argued that there should be
2 at least a partial oral hearing on the COSA studies
3 and range of reasonableness because the rate design is
4 a rare occurrence. And in our submission, that's not
5 a good reason for an oral hearing component.

6 **Proceeding Time 10:53 a.m. T23**

7 I think we've heard other reasons today that are
8 legitimate, but in this case, the Commission has said
9 recently in BC Hydro's revenue requirement proceeding,
10 for instance, that determining the need for an oral
11 hearing should be based on the specific circumstances
12 of the matters within a particular proceeding, and not
13 because there has been a lapse in time since the last
14 one. And the reference for that is Order G-7-17,
15 Appendix B, page 9. I just thought I'd draw your
16 previous determination to your attention.

17 And Cascadia also argued that the
18 Transportation Service Review should begin after the
19 review of the COSA studies and range of
20 reasonableness. In our submission, there is no need
21 for such a long delay. I think they are discrete
22 topics, and that Transportation Service Review can
23 proceed sooner than that. There is simply no reason
24 to stagger the two processes in the manner that
25 Cascadia has suggested.

26 And I'd clarify just one thing. Cascadia

1 references a November 2018 implementation date, and
2 I'd just clarify that wasn't the date proposed by FEI.
3 FEI proposed June 2018 in its application. FEI also
4 indicated in response to BCUC IR 1.1.1 that August
5 2018 would be acceptable.

6 I think I just have one final point in
7 response to Cascadia. They argue for a full oral
8 hearing on all the other issues, and they say that
9 there should be an option for one. And going back to
10 one of the points I started with, I think there has
11 been a lot of process to date, and a lot of
12 opportunities for all parties to understand the
13 proposals and we don't believe that there is the need
14 to leave the option open for an oral hearing. We
15 believe the Commission is in the position now to make
16 a determination whether an oral hearing is necessary
17 or not, and in our submissions and based on the
18 submission of the parties here, a full oral hearing
19 doesn't seem to be supported.

20 That concludes my comments in reply. If
21 you have any questions, I'd be pleased to respond.

22 THE CHAIRPERSON: Questions? Okay, thank you very much.
23 I'd like to -- is there anything else, Mr. Miller?

24 MR. MILLER: Nothing more, Madam Chair.

25 THE CHAIRPERSON: Mr. Weafer?

26 MR. WEAFER: Just a scheduling comment in response to Mr.

1 is now the -- I'm surprised it's pushed that far back,
2 but if it is I'm unavoidably out of the country the
3 first two weeks of October, so I just want to make
4 sure that was on the record. Thank you.

5 THE CHAIRPERSON: Thank you. Okay, thank you very much
6 for your participation today.

7 **(PROCEEDINGS ADJOURNED AT 10:58 A.M.)**

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I HEREBY CERTIFY THAT THE FORGOING
is a true and accurate transcript of
the recording provided to me, to the
best of my skill and ability.

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A.B. Lanigan, Transcriber

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July 5th, 2017

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