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VIA E-MAIL

British Columbia Utilities Commission
6th Floor – 900 Howe Street
Vancouver, BC V6Z 2V3

Attention: Erica Hamilton, Commission Secretary

Dear Sirs/Mesdames:

**Re: BC Hydro 2015 Rate Design Application (RDA)
Association of Major Power Customers (AMPC) Final Argument MGS &
LGS Pricing**

We are counsel to AMPC. We write to provide AMPC's submissions with respect to BC Hydro's proposal for interim pricing for Medium General Service (MGS) and Large General Service (LGS) customers without historical baselines, consistent with the timetable established in Order G-175-15 dated November 3, 2015. AMPC supports the interim adoption of this baseline for the reasons that follow.

In the RDA, BC Hydro has requested expedited approval of a change in pricing for MGS and LGS customers without historical baseline, from 85 percent Part 1 pricing and 15 percent (85/15) Part 2 pricing to 100 percent Part 1 pricing (the Proposal).¹ In doing so, BC Hydro noted that the Proposal, if accepted, would be supplanted by a final order concerning its new proposed MGS and LGS pricing, as set out in the RDA, which it proposes to implement effective April 1, 2017. As a result, the Commission's acceptance of the Proposal is an interim measure that will only apply until the MGS and LGS tariffs are amended through the RDA.

AMPC supports accelerated processes when they are efficient, and timely approval can provide material benefits. With respect to the Proposal, there appears to be reasonable justification for its approval:

¹ p. 1-9.

- the current 85/15 pricing scheme was implemented to prevent gaming, but BC Hydro's current business practices make gaming difficult, and BC Hydro is not aware of any gaming;²
- the Proposal will only apply to the limited number of new customers who choose to take electricity on the current MGS or LGS tariffs and who are without historical baseline, so its application is limited in scope;
- no party appears to be prejudiced by the acceptance of the Proposal, which recovers BC Hydro's embedded costs;³
- the Proposal is only a temporary measure designed to correct what appears to be a concern with the current tariff, and will be superseded in 2017 by a new MGS and LGS tariff which will have the benefit of a full review through the RDA, meaning there are no long-term ramifications from its adoption;⁴ and
- the 85/15 pricing scheme has been the subject of a number of complaints, and the Proposal is consistent with the Commission's recent decision that BC Hydro not apply existing LGS and MGS rates to a new customer following a complaint, suggesting that the Proposal is reasonable.⁵

Given the benefits of the Proposal and the absence of apparent drawbacks, AMPC supports the Commission's approval of the Proposal.

Yours truly,

Bull, Housser & Tupper LLP



Matthew D. Keen

² RDA, p. 6-71.

³ RDA, p. 6-71.

⁴ RDA, p. 6-71.

⁵ Order G-175-15, Appendix A, p. 3.