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VIA E-FILING SYSTEM

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 or Application)
Association of Major Power Customers (AMPC) - Argument**

We are counsel to AMPC. Further to the schedule set out in Monday's Order G-12-16, AMPC's final written argument in regard to the RS 1827, 1852, 1853 and 1253 components of the Application follows below.

In short, AMPC submits that BC Hydro's Application with respect to these rate schedules should be approved as applied for.

RS 1827 currently serves four customers¹ and accounts for six percent of Transmission Service sales.² RS 1827 consists of a flat energy charge which is the same as RS 1823 Part A.³ Unlike RS 1823, however, RS 1827 is not a stepped rate.⁴

AMPC agrees with BC Hydro that section 3(1) of Special Direction No. 7 restricts the Commission's ability to transfer New Westminster or UBC to a stepped rate under its rate setting powers found in section 58 to 61 of the *Utilities Commission Act*, R.S.B.C. 1996, c. 473.⁵ As such, AMPC submits that the Commission has no power to alter these customers' exemption from stepped rates, even if any party had concerns with RS 1827. AMPC also does not take issue with including SFU and YVR on the same rate schedule as New Westminster and UBC.⁶

¹ The City of New Westminster, the University of British Columbia (UBC), Simon Fraser University (SFU), and the Vancouver International Airport (YVR).

² Ex. B-1, Application, p. 7-46.

³ *Ibid.*, p. 7-47.

⁴ *Ibid.*, p. 7-47.

⁵ *Ibid.*, p. 7-47.

⁶ See Application, p. 7-48.

Of note, AMPC has previously expressed concerns with grouping RS 1827 and other “wholesale” customers⁷ with RS 1823 Transmission Service customers for cost of service (COS) study purposes. AMPC’s concern especially applies to New Westminster and FortisBC, as these utilities have significantly different load profiles than other Transmission Service customers.⁸ The inclusion of New Westminster and FortisBC in the Transmission Service rate class increases the revenue-to-cost ratio of these customers by 1.2 percent.⁹ BC Hydro acknowledges it has previously considered wholesale customers to be a separate rate class,¹⁰ and currently has the data available to prepare a COS study that considers wholesale customers as a separate rate class.¹¹

As these concerns relate to the COS study, they properly belong to the negotiated settlement component of this proceeding. Accordingly, this submission should not be taken to modify AMPC’s position on these matters in any way. Likewise, at this stage AMPC does not urge any changes to the RS 1827 rate based on the above concern.

AMPC does not oppose approval of the BC Hydro’s application in relation to RS 1852, 1853, and 1253, and considers the associated consultation efforts to have been appropriate.

In summary, AMPC submits that BC Hydro’s application as it relates to RS 1827, 1852, 1853 and 1253 should be approved as applied for.

Please contact the undersigned if you have any questions.

Yours truly,

Bull, Houser & Tupper LLP



per: Matthew D. Keen

⁷ *Ibid*, p. 4-22; also see Ex. B-5, AMPC-BC Hydro-1.9.3.

⁸ Ex. B-1, Application, Appendix C-5A, Workshop 5 Consideration Memo, p. 61, Figure 7 Appendix C-5A

⁹ Ex. B-1, Application, p. 4-20, Table 4-4.

¹⁰ Ex. B-5, AMPC-BC Hydro-1.9.4.

¹¹ Ex. B-5, AMPC-BC Hydro-1.9.5.