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VIA EMAIL

February 5, 2016

Ms. Erica Hamilton, Commission Secretary
British Columbia Utilities Commission
6th Floor 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Hamilton:

**RE: BC Hydro and Power Authority
2015 Rate Design Application
Non-Integrated Areas Ratepayers Group Final Argument
RS 1827, 1852, 1853 and 1253**

We are writing to provide Final Argument on behalf of our clients, the Heiltsuk Tribal Council and Shearwater Marine Limited, collectively registered as the Non-Integrated Areas Ratepayers Group (“NIARG”) in the above-captioned proceeding, regarding Transmission Stepped Rate RS 1827 (Exempt Customers), RS 1852 (Modified Demand), RS 1853 (Transmission - IPP Service Station) and RS 1253 (Distribution - IPP Service Station).

Nature of NIARG’s Interests in Rate Schedules 1827, 1852, 1853 and 1253

Subject to information that may be made available in the course of the consultation and engagement process preceding Module 2 of the 2015 BC Hydro RDA, NIARG’s current understanding is that Rate Schedules 1827, 1852, 1853 and 1253 are not available in Zone 1B or Zone 2. NIARG reserves the right to explore actual or potential availability of service under those four Rate Schedules in Zone 1B and/or Zone II in the Module 2 process.

For purposes of Module 1, NIARG’s interests relate to principles of fairness among rate classes and potential rate impacts on other classes resulting from the determinations made by the Panel in respect of Rate Schedules 1827, 1852, 1853 and 1253. NIARG’s submissions related to each Rate Schedule are set out below.

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RS 1827 – EXEMPT RATE

NIARG understands that four customers - City of New Westminster, Simon Fraser University, University of British Columbia and Vancouver Airport Authority – qualify for RS 1827 service. The rate available to them exempts them from stepped rates, on the basis of Heritage Contract Recommendations or a prior Commission Order.

BC Hydro has proposed maintaining RS 1827 (i.e. no change to the existing exemptions) and NIARG is not aware of any ratepayer opposition to that proposal or support for a transfer of the exempt customers to stepped rates. Accordingly, NIARG supports BC Hydro’s proposed approach to maintain the existing exemptions under RS 1827.

RS 1852 - TRANSMISSION SERVICE - MODIFIED DEMAND

NIARG understands that RS 1852 is a discretionary service made available to Transmission Service customers in transmission constrained areas and/or where market opportunities create potential for a different High Load Hours (“HLH”) time period.

BC Hydro wishes to revise the definitions of “availability” and of “HLH” to allow the discretion to determine HLH based on a customer location/region, thereby enabling BC Hydro to make a choice to curtail load to alleviate potential constraints in local or regional transmission or exploit a market opportunity.

NIARG is not aware of customer opposition to the BC Hydro’s proposed redefinitions affecting its discretion in respect of RS 1852 service, and is not aware of any material or inappropriate impacts that might result for other rate classes if the redefinitions are approved. Accordingly, NIARG does not oppose the proposed amendments for RS 1852.

RS 1853 - TRANSMISSION SERVICE - IPP STATION SERVICE

In light of the Panel’s scope rulings, NIARG has not had an opportunity in Module 1 to ask Information Requests to identify actual or potential use of RS 1853 service in Zone 1B or Zone II. However, NIARG is aware of IPP operations in both Zone IB and Zone II and therefore contemplates that RS 1853 may be available and/or utilized in Zone IB and/or Zone II.

NIARG observes that the circumstances in which RS 1853 service is available to Zone 1 IPP customers - scheduled maintenance requirements, forced outages, and black-start re-energization of generators – would probably be exacerbated by the more challenging logistics of remote and relatively inaccessible facilities in the Non-Integrated Areas.

BC Hydro is not proposing any change to RS 1853, under which energy is currently provided at Mid-C market rates as available, and without a demand charge. The monthly

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minimum charge is intended to ensure recovery of BC Hydro's costs for providing this service.

NIARG is not aware of any customer opposition to RS 1853 and accordingly supports BC Hydro's proposal not to make changes to the service, which incidentally may have application in the specific circumstances of Zone IB and/or Zone II.

RS 1253 - DISTRIBUTION SERVICE - IPP STATION SERVICE

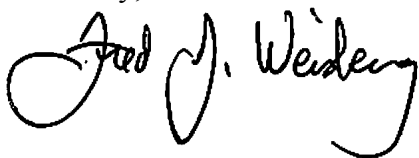
IPP customers may receive RS 1253 service at distribution voltage in the same type of circumstances that govern use of RS 1853 - scheduled maintenance requirements, forced outages and black-start re-energization of generators. As noted in NIARG's submissions regarding RS 1853, the severity of the circumstances in which the service is available to Zone 1 IPP customers would probably be exacerbated by the more challenging logistics of remote and relatively inaccessible facilities in the Non-Integrated Areas.

Importantly, BC Hydro has confirmed that no new transmission or distribution facilities to provide RS 1253 service will be required or constructed. The interruptible nature of the service means it will be provided only in circumstances that BC Hydro is able to make it available. The Mid-C market rate pricing appears appropriate, and the minimum monthly charge appears adequate to recover BC Hydro's costs of providing the service.

NIARG is not aware of any customer opposition to RS 1253, nor is NIARG aware of any material or inappropriate rate impacts on other classes that would result from approval of the rate in this proceeding. Accordingly NIARG supports the approval of BC Hydro's proposal for RS 1253, which incidentally may have application in the specific circumstances of Zone IB and/or Zone II.

All the above is respectfully submitted.

Yours truly,

A handwritten signature in black ink that reads "Fred J. Weisberg". The signature is written in a cursive, flowing style.

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