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## **BY ELECTRONIC FILING**

British Columbia Utilities Commission  
Suite 410, 900 Howe Street  
Vancouver, BC V6Z 2N3

**Attention: Mr. Patrick Wruck,**  
**Commission Secretary and Manager, Regulatory Support**

Dear Sirs/Mesdames:

**Re: British Columbia Hydro and Power Authority**  
**F2017 to F2019 Revenue Requirements Application ~ Project No. 1598931**  
**Final Submission on Rate Freeze Amendment**

In accordance with the regulatory timetable for this proceeding set by Order G-171-17, as amended, we enclose for filing the electronic version of the Final Submission of British Columbia Hydro and Power Authority.

Yours truly,

**FASKEN MARTINEAU DuMOULIN LLP**

*[Original signed by Christopher Bystrom]*

Christopher Bystrom

Encl.

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

**and**

**BRITISH COLUMBIA HYDRO AND POWER AUTHORITY**  
**FISCAL 2017 – FISCAL 2019 REVENUE REQUIREMENTS APPLICATION**

**FINAL SUBMISSION**  
**OF BRITISH COLUMBIA HYDRO AND POWER AUTHORITY**  
**ON RATE FREEZE AMENDMENT**

**DECEMBER 21, 2017**

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## **PART ONE: INTRODUCTION AND OVERVIEW**

1. On August 24, 2017, the Minister of Energy, Mines and Petroleum Resources issued a Mandate Letter to BC Hydro. Among other things, the Mandate Letter sets out Government's expectation that BC Hydro will work with Government to: "Freeze BC Hydro Rates and develop a refreshed plan to keep electricity rates low and predictable over the long-term while making significant investments to expand the system and maintain aging infrastructure."<sup>1</sup> This is an unequivocal expression of Government policy. It should be given significant weight in this proceeding, just as the Commission has done in past proceedings. BC Hydro is still expecting to recover the balance in the Rate Smoothing Regulatory Account by Fiscal 2024, even with the rate freeze. A planned comprehensive review of BC Hydro will target potential offsetting cost savings that would impact rates after the current test period. BC Hydro respectfully submits that, having regard to all of the evidence including the Minister's Mandate Letter, its amended request for a rate freeze is just and reasonable and should be approved.

2. This Submission is organized as follows:

- Part Two discusses instances where the Commission has given effect to clear statements of Government policy, and why the rate freeze is accommodated by other regulatory principles.
- Part Three describes the financial implications of the rate freeze, identifying BC Hydro's plans to reduce the balance in the Rate Smoothing Regulatory Account and Government's planned comprehensive review targeting future savings.

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<sup>1</sup> Exhibit B-23.

## **PART TWO: EVIDENCE OF GOVERNMENT POLICY SHOULD BE GIVEN SIGNIFICANT WEIGHT**

3. This Part addresses why the Commission, although not fettered in its discretion by the Minister's Mandate Letter<sup>2</sup>, should give significant weight to the evidence of Government policy favouring a rate freeze. Specifically:

- First, the Minister's Mandate Letter is a clear expression of government policy.
- Second, the Commission is free to give significant weight to Government policy, as the Commission has done in the past.
- Third, the rate freeze can be implemented while respecting other regulatory principles.

### **A. MINISTER'S MANDATE LETTER IS A CLEAR EXPRESSION OF GOVERNMENT POLICY**

4. The Minister's Mandate Letter, echoing the new Government's platform, includes an unequivocal direction to freeze rates. It expresses the new Minister's expectation that BC Hydro will work with the Ministry of Energy, Mines and Petroleum Resources "to freeze rates and develop a refreshed plan to keep electricity rates low and predictable over the long-term while making significant investments to expand the system and maintain aging infrastructure."<sup>3</sup>

5. At the same time, the Minister's Mandate Letter is also clear that BC Hydro should continue to operate within its existing budgets, which extend to the end of the test period. The Mandate Letter states: "It is expected that BC Hydro and Power Authority (BC Hydro) will manage its programs and initiatives within its existing budget targets, unless

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<sup>2</sup> BC Hydro confirmed at the Procedural Conference its view that that the Commission retains its discretion regarding its amended request, and that its jurisdiction is unfettered.

<sup>3</sup> Exhibit B-23, Attachment 1.

otherwise directed.”<sup>4</sup> This point is reinforced by Government’s November 8, 2017 announcement regarding the rate freeze. The announcement linked the rate freeze to a future comprehensive review of BC Hydro, the results of which would be reflected after the current test period:

The rate freeze will provide government the time to undertake a comprehensive review of BC Hydro. That review will identify changes and cost savings to keep rates low while ensuring BC Hydro has the resources it needs to continue to provide clean, safe and reliable electricity. Details of the scope and process for the review will be developed once government has made a final decision on Site C.

After completing a comprehensive review of BC Hydro, any cost and revenue adjustments identified will be reflected in rates starting in April 2019.<sup>5</sup> [Emphasis added.]

6. BC Hydro’s forecast revenue requirements for the test period already reflect significant steps to control costs, including with respect to capital investments.<sup>6</sup> They also reflect investment priorities identified in the Minister’s Mandate Letter, which the Minister was clear are to be pursued within existing budgets.<sup>7</sup> The revenue requirements for the test period can be approved as originally sought.

**B. THE COMMISSION SHOULD GIVE SIGNIFICANT WEIGHT TO GOVERNMENT POLICY AS IT HAS DONE IN PAST DECISIONS**

7. The Commission, while not legally bound to follow the Minister’s Mandate Letter, is entitled to give it significant weight. The Commission has given significant weight to similar expressions of Government policy in previous decisions. BC Hydro submits that the Commission should do the same with the Minister’s Mandate Letter.

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<sup>4</sup> Exhibit B-23, Attachment 1.

<sup>5</sup> Exhibit B-25, BCOAPO IR 4.145.1.

<sup>6</sup> Exhibit B-25, BCUC IR 4.3.1.

<sup>7</sup> Exhibit B-25, BCOAPO 4.145.1.

**(a) Government Policy is a Legitimate Consideration**

8. The law is clear that administrative tribunals are entitled to consider government policy in conjunction with all other evidence, and give it considerable weight. The Ontario High Court of Justice (Divisional Court) applied this principle in *Re Township of Innisfil et al.*, for instance, stating in part:

Once it is recognized that the Board is entitled to accept the policy statement, it follows, in my view, that it is for the Board to determine the weight to be given to it. It is not for the Court to enter the arena in such proceedings and judge the effect to be given material before the body charged with the decision. If a matter may properly be considered it is, I think “scarcely possible for a court ever to say that too much weight was given to it or that it ought not to have been allowed to outweigh other considerations”, to adopt the words of Windeyer, J., in *R. v. Anderson, Ex p. Ipec-Air Pty. Ltd.* (1965), 113 C.L.R. 177 at p.2015. Once the Board concluded, as it did that the preponderating effect of the policy statement was such that it was obliged to comply with it, that it so outweighed and overbalanced other considerations that it was to be followed, its conclusion is not reviewable by a Court. This is not a jurisdictional issue depriving the Board of the power vested in it; whether the Court may agree with the ruling is not the issue; this cannot, in my opinion, amount to an error depriving it of jurisdiction.<sup>8</sup>

**(b) Commission Has Previously Determined Matters Based on Policy**

9. Counsel for BC Hydro identified the following Commission decisions at the procedural conference. They demonstrate the Commission’s understanding of the role that Government policy can, and should play in sound regulation of a BC Hydro, a Crown utility.

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<sup>8</sup> *Re Township of Innisfil et al.*, 17 O.R. (2d) 277, leave to appeal to Ontario Court of Appeal refused, May 2, 1977. Online: <https://www.canlii.org/en/on/onsc/doc/1977/1977canlii1179/1977canlii1179.pdf> (This is a different case from the one involving the same parties that later went to the Supreme Court of Canada on a different issue.)

***Former Minister's Mandate Letter Had "Most Bearing" on Retail Access Decision***

10. The Commission's decision on BC Hydro's 2012 *Application to Suspend the Retail Access Program*<sup>9</sup> was an analogous situation. In that case, BC Hydro enclosed a letter from the former Minister of Energy, Mines and Petroleum Resources that expressed support for suspending the program pending a review to occur over the following two years. Minister Coleman's letter concluded with: "To this end, I am directing BC Hydro to extend the suspension of the Program until a comprehensive review of industrial electricity policy is complete."<sup>10</sup> The Commission gave Minister Coleman's letter predominant weight:

In the Commission's view, it is the letter from Minister Coleman that has the most bearing on the Commission's decision as it is a direct statement of government policy. The Commission is guided by government policy in its decision making. However, the Commission does see merit in a full exploration of the concept of retail access and notes the support of at least three stakeholders for the Program.

Given that the government's desire is to suspend the Retail Access Program pending an overall review of BC Hydro's industrial service over the next two years, the Commission suspends the Retail Access Program for a maximum of two years. The Commission directs BC Hydro to provide the results of its proposed review of the Retail Access Program by the end of 2012, and, by the end of two years from the date of this Decision, to bring forward a proposal on a Retail Access Program going forward. [Emphasis added.]

11. The former Minister's direction is akin to the current Minister's Mandate Letter regarding the rate freeze - a clear direction to BC Hydro to request a rate change in anticipation of a future Government review. The current Minister's Mandate Letter is worthy of the same consideration and bearing in this proceeding.

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<sup>9</sup> Order G-39-12, dated March 15, 2012.

Online: <https://www.ordersdecisions.bcuc.com/bcuc/orders/en/118470/1/document.do>

<sup>10</sup> Order G-39-12, dated March 15, 2012, Appendix A, Reasons for Decision, p. 2.



***Commission Addressed Net Metering Based on “Policy Action”***

12. The Commission’s decision approving BC Hydro’s Net Metering tariff is another good example of a policy-driven Commission decision.<sup>11</sup> The Commission initiated a process to address net metering in response to what it characterized as a “clear directive” in the BC Government’s 2002 Energy Plan. The Commission’s Reasons for Decision recounted the influence of policy, in part, as follows:<sup>12</sup>

On December 10, 2002, interested stakeholders applied to the Commission for a change to BC Hydro’s standard metering practices to include a “limited and simple form of net metering”, citing Policy Action No. 20 of the B.C. Government’s energy policy, Energy For Our Future, A Plan For BC (“Energy Plan”), released in late 2002.

Stakeholders had proposed a similar change in October 2001, but the Commission, with input from BC Hydro, deferred consideration of net metering until after the release of the Energy Plan. The Commission agreed that Policy Action No. 20 makes a clear directive for utilities to develop policies such as net metering to support the voluntary goal of acquiring 50 percent of new supply from BC Clean Electricity over the next 10 years. In Letter No. L-3-03, the Commission requested that BC Hydro prepare, in consultation with customer groups and other utilities such as Aquila Networks, a report to assess the potential for net metering in B.C., including a discussion of policy considerations for successful development and implementation. BC Hydro submitted a consultant’s report on net metering and written comment from various interest groups and individuals. [Emphasis added.]

13. The Minister’s Mandate Letter is as much a clear directive as the Policy Actions in the 2002 Energy Plan and merits similar consideration.

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<sup>11</sup> Order No. G-26-04, dated March 10, 2004.

Online: <https://www.ordersdecisions.bcuc.com/bcuc/orders/en/115431/1/document.do>

<sup>12</sup> Order No. G-26-04, dated March 10, 2004, Appendix A, Reasons for Decision, p. 4.

***Commission Approved the Standing Offer Program Based on Government Policy***

14. The Standing Offer Program (SOP) originated with a “Policy Action” from the 2007 Energy Plan. The Commission approved the establishment of the SOP based on that Policy Action.<sup>13</sup> The SOP was only later incorporated into the *Clean Energy Act*.

***2007 Energy Plan “Policy Actions” Drove Re-Pricing of Net Metering***

15. The Commission’s decision in *An Application by British Columbia Hydro and Power Authority for Approval to Re-Price Net Metering Services* is another example where non-legislated Government policy was determinative.<sup>14</sup> In fact, the main issue in the decision was how to interpret the words “generally consistent” used in the applicable Policy Action set out in Government’s 2007 Energy Plan:

BCEP Policy Action #11 also requires that, to ensure even treatment, the rate paid for net annual surpluses of generation purchased by BC Hydro is generally consistent with the prices paid in the SOP. At the time the Application was submitted, the energy rate in RS 1289 was 5.40 cents/kWh. There was a wide differential between that and the SOP rate; the two rates were not consistent. Given the qualitative differences between the SOP and Net Metering programs, the Commission is of the view that achieving a Net Metering energy rate consistent with the SOP rate does not require that the rates be equal. Instead, the Commission interprets “generally consistent” as meaning that the two rates are of similar magnitude and are not biased toward either source of supply. The SOP rate schedule varies by location, which means a range of prices offered by BC Hydro.<sup>15</sup>

The proposed RS 1289 rate is within the upper portions of the SOP rate range for 2008 and for 2009. Therefore, the Commission deems the Net Metering rate to be generally consistent with that offered under SOP. [Emphasis added.]

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<sup>13</sup> Order G-43-08, dated March 19, 2008, approved a Negotiated Settlement Agreement regarding the SOP. See Recital B. Online: <https://www.ordersdecisions.bcuc.com/bcuc/orders/en/116729/1/document.do>

<sup>14</sup> Order G-4-09, dated January 29, 2009.

Online: <https://www.ordersdecisions.bcuc.com/bcuc/orders/en/117003/1/document.do>

<sup>15</sup> Order G-4-09, dated January 29, 2009, Appendix A, Reasons for Decision, p. 1.

***A Minister's Letter Was the Basis for Reconsidering Rate Rebalancing***

16. BC Hydro's Application for reconsideration of Rate Rebalancing Orders arising from the 2007 RDA Phase 1 Decision was based on a letter from the former Minister to BC Hydro. The Minister's letter identified that Government's intent to pursue legislative steps to ensure that rate rebalancing elements would not be implemented. The Commission granted the reconsideration request in Order G-34-08, dated March 7, 2008.

17. The Commission summarized the relevant facts in the recitals:<sup>16</sup>

H. Appendix B to the Reconsideration Application is a letter dated February 15, 2008 from the Minister of Energy, Mines and Petroleum Resources, to the Chair of BC Hydro's Board of Directors (the "Minister's Letter"). The Minister's Letter states in part as follows:

"The Government intends to introduce legislation in the Spring 2008 sitting of the Legislature that would ensure that the rate rebalancing elements of the BCUC's Orders will not be implemented. In particular, the new legislation would address the elements of the Decision and Orders in which the BCUC directed BC Hydro to implement rate changes over three years, to move the revenue to cost ratios of the customer classes to one-to-one and directed BC Hydro to maintain revenue to cost ratios within a range of 0.95 to 1.05. The legislation would also define rules for the future treatment of rate rebalancing. Government's intention is to preserve the revenue to cost ratios that were reflected in rates in place immediately before BC Hydro filed its 2007 Rate Design Application in March 2007"; and

I. The Minister's Letter further states that the contemplated legislation is expected to apply retroactively to ensure that BC Hydro customers will not experience any net changes in their bills due to rate rebalancing this year, regardless of when legislation may be passed; and

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<sup>16</sup> Order G-34-08, dated March 7, 2008, p. 2.

Online: [http://www.bcuc.com/Documents/Decisions/2008/DOC\\_18271\\_G-34-08\\_Reconsideration%20Decision.pdf](http://www.bcuc.com/Documents/Decisions/2008/DOC_18271_G-34-08_Reconsideration%20Decision.pdf)

Q. The Commission has reviewed the Reconsideration Application, the Intervenor's submissions and BC Hydro's reply submission and considers that, given the changed circumstances resulting from the Minister's Letter, the relief requested by BC Hydro ought to be granted. [Emphasis added.]

18. A Commission information request inquired whether the rate-rebalancing decision is distinguishable from the present circumstances on the basis "that the Ministerial letter related to the order and decision on rate re balancing arising from the 2007 Rate Design contained a definite statement that legislation would be introduced to make changes to the Commission's prior determination."<sup>17</sup> This is a distinction without legal significance. At the time the Commission had considered the Minister's statement regarding re-balancing, it was only a statement of Government's intent. Legislation is not binding until it has been drafted, has proceeded through readings in the Legislature, has been passed, and has obtained Royal Assent. This Minister's Mandate Letter regarding the rate freeze includes statements about Government's future actions that are just as definitive as the statements of the former Minister that justified the Commission's reconsideration of rate rebalancing.

### **C. A RATE FREEZE IS CONSISTENT WITH REGULATORY PRINCIPLES**

19. BC Hydro addressed information requests asking BC Hydro to reconcile the rate freeze with other regulatory principles, such as the Bonbright ratemaking principles, intergenerational equity, etc. The Commission can give effect to the clear expression of Government policy favouring a rate freeze in the present circumstances within the bounds of established regulatory principles:

- First, the above cases demonstrate that a clear expression of Government policy can be, and has been, the substantive regulatory justification for a decision on utility rates.
- Second, the predominant principle of regulation at play in the context of a revenue requirements proceeding like this (which is enshrined in law as well as

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<sup>17</sup> Exhibit B-25, BCUC IR 4.4..2.

being included among the Bonbright criteria) is the principle that a utility should be entitled to recover its prudently incurred costs. The Commission gives effect to this principle, irrespective of the level at which rates are set, by ensuring that BC Hydro is able to recover its forecast revenue requirements. In the present case, recovery would come from the use of the Rate Smoothing Regulatory Account, which captures the difference between approved rates and the approved revenue requirements for recovery in future years.<sup>18</sup>

- Third, the authors of Bonbright are clear that the ratemaking principles they articulate often conflict with one another, and must be weighed in light of the circumstances and other principles. For instance:

Lists of this nature [the Attributes of a Sound Rate Structure] are useful in reminding the ratemaker of considerations that might otherwise be neglected, and also useful in suggesting important reasons why problems of practical rate design do not yield readily to scientific principles of optimum pricing. But they are unqualified to serve as a base on which to build these principles because of their ambiguities (how, for example, does one define “undue discrimination”?), their overlapping character, their inconsistencies, and their failure to offer any basis for establishing priorities in the event of a conflict. For such a basis, we must start with a simpler and more fundamental classification of ratemaking functions and objectives.<sup>19</sup>

BC Hydro discussed the application of the Bonbright principles to the requested rate freeze in response to BCSEA IR 4.1.13. The response demonstrates that the rate freeze can be implemented while respecting those principles to the extent they are relevant. There is no Bonbright principle purporting to prohibit giving paramount weight to a clear statement of Government policy.

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<sup>18</sup> Exhibit B-25, BCUC IR 4.4.2.

<sup>19</sup> Bonbright, *Principles of Public Utility Rates* (2<sup>nd</sup>), 1988, p. 384.

- Fourth, intergenerational equity, which is cited in information requests,<sup>20</sup> is another valid consideration, but is reasonably maintained in the present context. Direction 7 mandates the use of a Rate Smoothing Regulatory Account<sup>21</sup>, with the only proviso being that the Commission must allow it to be cleared “from time to time and within a reasonable period”.<sup>22</sup> The mandated use of the Rate Smoothing Regulatory Account inherently shifts costs from the current year to subsequent years. However, BC Hydro’s planned recovery period for the account remains unchanged,<sup>23</sup> and the Commission retains the authority to set the recovery period for the Rate Smoothing Regulatory Account. Full recovery of the amount within five years avoids any truly “intergenerational” impacts. In such circumstances, the Minister’s Mandate Letter should be given the greatest weight.

20. The Commission can consider the matters outlined above, but should give the most significant weight to Government policy in the circumstances.

### **PART THREE: FUTURE OPPORTUNITIES TO OFFSET FINANCIAL IMPLICATIONS OF RATE FREEZE**

21. In this Part, BC Hydro addresses how the financial implications of BC Hydro’s requested rate freeze must be viewed in the context of

- the steps BC Hydro is taking to eliminate the balance in the Rate Smoothing Regulatory Account by the end of Fiscal 2024 and reduce regulatory account balances overall;<sup>24</sup> and

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<sup>20</sup> E.g., Exhibit B-25, BCUC IR 4.2.1. Intergenerational equity is not, per se, one of the Bonbright principles. Rather, it is a corollary of the principles relating to cost recovery.

<sup>21</sup> Direction No. 7, s. 9(2).

<sup>22</sup> Direction No. 7, s. 7(k).

<sup>23</sup> Exhibit B-25, BCUC IR 4.1.4.

<sup>24</sup> Exhibit B-1-1, Application, pages 1-16 to 1-18 and 7-5.

- the opportunity presented by Government's planned comprehensive review and refreshed rates plan to identify offsetting savings in future test periods.

**A. BC HYDRO IS STILL FORECASTING FULL RECOVERY OF THE BALANCE IN THE RATE SMOOTHING REGULATORY ACCOUNT BY FISCAL 2024**

22. The Rate Smoothing Regulatory Account was created to keep rate increases as gradual and predictable as possible, by spreading costs that occur in the earlier years of the 2013 10 Year Rates Plan over the later years. Its purpose is to defer for recovery in rates in future fiscal years, those portions of the allowed revenue requirement in a particular fiscal year that were not, or are not to be recovered in rates in that particular fiscal year.<sup>25</sup> As stated above, its use is mandated by Direction No. 7 (section 9(b)). The recovery of the balance in the Rate Smoothing Regulatory Account is a key component of the 2013 10 Year Rates Plan.<sup>26</sup> BC Hydro is on track to meet the objectives of the 2013 10 Year Rates Plan, including fully recovering the balance in the Rate Smoothing Regulatory Account by the end of fiscal 2024.<sup>27</sup> This outcome is unaffected by the rate freeze.<sup>28</sup>

23. Moreover, BC Hydro demonstrated in its July 4, 2017 Reply Submissions that it has taken a rigorous approach to its deferral and regulatory accounts generally, and is on track to significantly reduce the balance in its accounts during the remaining years of the 2013 10 Year Rates Plan. BC Hydro forecasts that the total balance in the regulatory accounts at the end of the test period will, at the end of the 2013 10 Year Rates Plan period, be reduced by approximately \$2.4 billion, or 40 per cent based on existing regulatory mechanisms and those proposed with the Application.<sup>29</sup> BC Hydro submits that its approach to managing its regulatory accounts is reasonable and effective.

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<sup>25</sup> Exhibit B-25, BCSEA IR 4.1.8.

<sup>26</sup> Exhibit B-1, p. 7-43; Exhibit B-9, BCUC IR 1.159.5.

<sup>27</sup> Exhibit B-1-1, Application, pp. 1-16 to 1-18 and Section 7.5.24; Exhibit B-9, BCUC IR 1.124.1.

<sup>28</sup> Exhibit B-25, BCUC IR 4.1.4.

<sup>29</sup> Exhibit B-1-1, Application, p. 7-5.

## **B. THE PLANNED COMPREHENSIVE REVIEW IS TARGETING OFFSETTING SAVINGS**

24. The requested rate freeze will, other things being equal, result in an estimated additional \$142.3 million<sup>30</sup> flowing to the Rate Smoothing Regulatory Account.<sup>31</sup> However, the rate freeze would only contribute to rate increases in the latter years of the 2013 10 Year Rates Plan in the absence of further initiatives to reduce costs.<sup>32</sup> Government has made it clear that a comprehensive review of BC Hydro will be completed in conjunction with the development of a refreshed plan for rates, with the results being reflected in rates starting in fiscal 2020.<sup>33</sup>

25. BC Hydro will apply for a recovery mechanism for the Rate Smoothing Regulatory Account in subsequent revenue requirements applications.<sup>34</sup> The Commission will, at that time, be able to determine what is required to meet its requirement (Direction No. 7, section 7(k)) to “allow the regulatory accounts to be cleared from time to time and within a reasonable period” having regard to the impacts of the rate freeze, as well as the offsetting impacts of any announced initiatives emerging from the comprehensive review and the refreshed rates plan.

### **PART FOUR: CONCLUSION AND ORDER SOUGHT**

26. BC Hydro respectfully submits that the Commission should approve the requested rate freeze, giving effect to a key government policy as it has in the past. The Commission will have the ability to determine, in a future application, the appropriate approach to recovering the balance in the Rate Smoothing Regulatory Account, having regard

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<sup>30</sup> Refer to BC Hydro’s response to BCSEA IR 4.3.4.1 for an explanation of this number.

<sup>31</sup> In the response to BCUC IR 4.2.3 (Exhibit B-25), BC Hydro explained why the shortfall between BC Hydro’s approved revenue requirements for fiscal 2019 and BC Hydro’s forecast revenue for fiscal 2019 must be deferred to the Rate Smoothing Regulatory Account pursuant to sections 4, 7(h)(i), and 9 of Direction No. 7.

<sup>32</sup> Exhibit B-25, BCUC IR 4.6.3, BCSEA IR 4.2.2, and BCUC IR 4.1.1.

<sup>33</sup> Exhibit B-25, BCSEA IR 4.1.2. The full announcement can be found at this link:

<https://news.gov.bc.ca/releases/2017EMPR0021-001875>

<sup>34</sup> Exhibit B-9, BCUC IR 1.143.2.



to the impacts of the rate freeze and any subsequent actions taken in response to the comprehensive review and refreshed rates plan.

27. BC Hydro will recalculate its revenue requirements for the updates, errata and commitments, as well as any directives from the Commission, in its compliance filing.<sup>35</sup>

**ALL OF WHICH IS RESPECTFULLY SUBMITTED.**

Dated: December 21, 2017 ***[original signed by Matthew Ghikas]***  
Matthew Ghikas  
Counsel for BC Hydro

Dated: December 21, 2017 ***[original signed by Chris Bystrom]***  
Chris Bystrom  
Counsel for BC Hydro

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<sup>35</sup> Exhibit B-25, FortisBC IR 4.20.2.