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Environmental, Natural Resources &
Indigenous Law

VIA EFILE

June 18, 2020

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

Attention: Marija Tresoglavic, Acting Commission Secretary

Dear Ms Tresoglavic,

**Re: BC Hydro F2020-F2021 Revenue Requirements Application
Project No. 1598990
Zone II Ratepayers Group's Submissions on Oral Phase of Argument**

In response to Exhibits A-34, A-35 and A-36, on behalf of Kwadacha Nation and Tsay Keh Dene Nation (aka. Zone II Ratepayers Group ("**Zone II RPG**")), we write to provide Zone II RPG's submissions in response to BC Hydro's oral submissions on June 12, 2020, and Mr. O'Riley's letter of June 15, 2020 ("**BCH Letter**").

DSM Expenditure Schedule

First, Zone II RPG writes to provide comment in response to question 1.1 posed by the BC Utilities Commission ("**Commission**"), in Exhibit A-35, which reads:

Please clarify BC Hydro's position on whether the *Utilities Commission Act* (UCA) gives the...[Commission] the authority to put any limits on how much BC Hydro can reallocate with respect to its accepted Demand Side Management (DSM) expenditures during the test period. Why or why not?

As per the Commission's decision and Order G-47-19 in FortisBC Inc.'s 2019 to 2022 DSM application, Zone II RPG is of the view that once a DSM Expenditure Schedule is accepted by the Commission, BC Hydro varies from that schedule at its own risk, in so far as it may not be able to recover those variances in costs from ratepayers.

However, in this particular proceeding, Zone II RPG recognizes that BC Hydro may benefit from some flexibility in its DSM Expenditures, especially as it navigates the COVID-19 pandemic, which has created substantial uncertainties with respect to BC Hydro operations (and society as a whole). Zone II RPG also sees value in BC Hydro having some flexibility in how it administers its DSM programs, as BC Hydro submitted in its oral argument (Transcript, Vol. 16, p. 2918, ll. 3 – 8), especially given the internal

check and balances that do exist with respect to these decisions and the risk of not being able to recovery those costs variances. (Transcript Vol, 16, p. 2918, ll. 10 – 20)

Despite recognizing the need for flexibility, that flexibility should not be unlimited. Among other things, Zone II RPG also maintains that BC Hydro must be mindful of the Commission's previous directions, with respect to the importance of funding NIA DSM initiatives, especially Directive 21 from BC Hydro's F2017 to F2019 Revenue Requirements Application (Decision and Order G-47-18, dated March 1, 2018, at p. 81), which reads:

The Panel recommends BC Hydro consider more targeted DSM programs directed at residential customers in the next DSM application.

Response to BCH Letter

Zone II RPG has no comments on or issues with the specifics of BC Hydro's evidence on vegetation management and MRS; however, Zone II RPG agrees with Mr. O'Riley that BC Hydro has acted with integrity throughout this proceeding, and its witnesses generally attempted to conduct themselves with candour and transparency.

Should you require anything further, please let us know.

Yours truly,
IRIS LEGAL



Jana McLean
jana@irislegal.ca