



Canadian Office & Professional Employees Union, Local 378

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Erica M. Hamilton
Commission Secretary
British Columbia Utilities Commission
P.O. Box 250
6th Floor, 900 Howe Street
Vancouver, BC V6Z 2N3

March 17, 2011

Dear Ms. Hamilton:

**Re: In the Matter of the *Utilities Commission Act*, R.S.B.C. 1996, c. 473 and British Columbia Hydro and Power Authority (“BC Hydro”)
F2012 - 2014 Revenue Requirements Application**

We have now had the opportunity to review BC Hydro’s Revenue Requirements Application for F2012 – F2014 (Exhibit B-1) and are concerned with the lack of disclosure and detail with respect to some subject areas relating to the revenue requirement asserted by BC Hydro.

While reference is made to achieving efficiencies in the workforce (see Chp. 5) and planning for the end of the Accenture contract (see pg 28, Appendix R), these references are general in nature and do not provide sufficient detail to allow for proper consideration and exploration of these issues through the IR process or at the hearing. Most significantly, we have not found any reference to Hydro’s Long Term Sourcing Strategy (LTSS). COPE 378 understands from its discussions with BC Hydro and Accenture that the LTSS is a major driver of the incremental cost savings and value BC Hydro believes it can achieve through the continued use of outsourcing.

COPE 378 understands from its discussions with Accenture and BC Hydro that the LTSS involves restructuring the scope of service solutions, terms and conditions used by BC Hydro and, according to Hydro, the implementation of that strategy may involve going to market for those services (i.e. through the issuance of RFPs). COPE 378 further understands that, under that scenario, Accenture may be excluded as a proponent or participant in the procurement process.

It is clear that a restructuring of Customer Care, Finance, IT, HR and/or Office Services that may involve a new or multiple new outsourcers will have a significant impact on BC Hydro and its customers. As such, COPE 378 believes further disclosure is required from BC Hydro regarding the LTSS, including what the LTSS is, what it is intended to achieve, its current status and any analysis or projections BC Hydro has done regarding the potential benefits of the LTSS.

Based on the information COPE 378 has been able to obtain, we understand the decision whether to exclude Accenture and look for new outsourcers or service providers will be made by BCH

around the end of May 2011 and that some decisions to look to the market for new service providers have already been made, including a recent Request for Proposal for a new Data Centre.

While COPE 378 recognizes that some of these issues can be explored through the rounds of Information Requests and the Evidentiary Update contemplated by BCUC Order No. G-40-11 (Ex. A-2), it wanted to raise these matters with the Commission now as the timetable for BC Hydro's decisions in this regard appears to predate the evidentiary update and potentially the deadline for BC Hydro's response to the initial Information Requests as well. As such, the decisions will likely have been made by BC Hydro, locking in the accompanying financial and service consequences for ratepayers, before the parties to this proceeding will have had an opportunity to fully consider and explore these issues.

COPE 378 respectfully requests that the Commission direct BC Hydro to provide a copy of its LTSS and any financial analysis or business case it has prepared regarding the LTSS to the parties to this proceeding as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Winstanley". The signature is written in a cursive, flowing style with a large initial "L".

Lori Winstanley
Director of Strategic Campaigns and Communications
COPE 378
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