

**BC Hydro
F2012-F2014
Revenue Requirements Application
Procedural Comments
- by ESVI -**

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For: Energy Solutions for Vancouver Island Society (ESVI)

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In response to Exhibit A-4, we welcome the opportunity to address in written form procedural matters for the Revenue Requirements Application (RRA) and to provide written suggestions for “*seeking regulatory efficiency and new creative solutions to reviewing the comprehensive Application in a written proceeding or in alternative way.*”

Regulatory efficiency and PACA:

We suggest that one key part of regulatory efficiency, and in particular this comprehensive RRA, is “getting the right Interveners to the table at the right time”.

As a not-for-profit Intervener for several years, with what we believe to be an important role in the BCUC proceedings, a key factor in determining whether or not to effectively participate in a proceeding is dealing with funding through the Participant Assistance/Cost Award Guidelines (PACA).

We note that in the BCUC PACA Funding Guidelines:

“the Commission Panel will first consider whether the Participant has a substantial interest in a substantial issue in the proceeding. If this criterion is not met, the Participant will typically not receive a cost award except, possibly, for out-of-pocket disbursements.”¹

Further restrictions are noted for Revenue Requirements Applications:

“Except in limited circumstances, it is expected that only ratepayer groups will establish a ‘substantial interest in a substantial issue’ so as to be eligible for an award in a revenue requirements proceeding.”²

We also note that many important F2012-F2014 RRA activities occur even before Interveners are given the opportunity to submit a PACA budget, let alone, receive a response back from BCUC on whether or not the budget is acceptable.

¹ BCUC Order G-72-07, Appendix A, Page 1 of 6

² BCUC Order G-72-07, Appendix A, Page 1 of 6

The filing of the PACA budgets is scheduled for May 9, 2011.

However, before that date there is the Workshop (March 16) and Procedural Conference (March 25) in Vancouver. These involve time of the Intervener for participation in those activities, plus preparation time. In addition, for Interveners not in the lower mainland, there are additional travel costs and time commitments for travel to Vancouver (in our case, from Vancouver Island).

In addition, there is the first round of Information Requests (IRs) for Interveners scheduled for April 13. In order to effectively develop these IRs, an Intervener needs to review over 1500 pages of the BC Hydro application, plus hundreds of pages of additional exhibits. Plus there is reviewing whatever correspondence has occurred up to that time, including the Commission IRs; again, most likely to be hundreds of pages. This extensive and time consuming review is in addition to the main activity, the development of effective IRs, which also is very time consuming.

To exasperate the situation, usual proceeding practice only allows second or third IRs to be based upon the responses of the first IR round; so the first IR is the only opportunity for “fresh” requests.

So, again, all of the work outlined above is supposed to be done before a budget is submitted.

All of this work is expected to be done without knowing whether or not BCUC considered the participant to be considered a “ratepayer group” or not. This is all expected to be done before BCUC evaluates whether or not the Participant has a “substantial interest in a substantial issue”. And finally, there is BCUC’s response to the budget specifics itself, of which there is no time frame given. Yet another issue is the historical issue of lack of clarity or certainty of BCUC’s position when they do respond.

We submit that this situation is unacceptable and unfair. We are not sure how other Participants can afford the risk of not getting paid, but for us, the risk is too great.

Suggestions:

First, we believe the PACA process and associated guideline document must be overhauled not only to deal with the points covered above, but also other deficiencies raised in the past. We suggest these changes be done with participation of Interveners.

We recognize changes to the formal PACA process itself will probably take too long for this proceeding, so we suggest specific PACA guidelines for this RRA proceeding to be developed promptly to overcome the issues presented. For example, interim stages with corresponding interim payments in conjunction with an earlier budget process approval could be established.

Regulatory efficiency and Particular Issues:

As we noted above, there are over 1500 pages in the RRA application, plus hundreds of more pages from other exhibits. There are dozens of issues and areas of interest.

Although some Interveners may be interested in all aspects, there are bound to be many Interveners that are focused in specific issues or areas of interest. For those Interveners to consume their time and potentially PACA funding on irrelevant issues is not efficient for the Interveners, and not efficient for the regulatory process.

Suggestion:

We suggest a number of key issues in the RRA should be identified and dealt with independently and completely. It is recognized that this may result in some duplication, but we suggest, for the right issues, the overall efficiency of the process will be improved.

We also suggest that, again for the right issues, a primarily written process would be more efficient, especially if key issues are dealt with independently and completely. We point out that the Residential Inclining Block application was effectively accomplished through a written process.

Perhaps we could engage through video/audio two-way conferencing to enable a wider range of groups, such as ours on Vancouver Island, to more effectively participate given the barriers of travel and its time commitments.

Smart Meters:

One area of interest to us is Smart Meters. We note that a new addition to the exhibit list is the Smart Meter Business Plan (Exhibit A-2-3).

Suggestion:

First, we submit for completeness, that BC Hydro's Smart Meter Business Case should also be added to the exhibits.

We also suggest that Smart Meters be one of the key issues that should be addressed independently and completely, and in written form.