



April 13, 2011

Erica M. Hamilton  
Commission Secretary  
British Columbia Utilities Commission  
Sixth Floor, 900 Howe Street  
Vancouver, B.C.  
V6Z 2N3

Dear Sir:

**Re: British Columbia Hydro and Power Authority – Fiscal 2012 - 2014 Revenue Requirements Application – Response to Exhibit A-8**

The Clean Energy Association of B.C. (“CEBC”) has had the benefit of reviewing the submissions of BC Hydro and many of the other intervenors with respect to Exhibit A-8 in the Fiscal 2012 - 2014 Revenue Requirements Application proceeding (“Application” or “RRA Proceeding”) and appreciates the effort that has gone into them.

However, as set out in Exhibit B-5, Attachment 2 “Terms of Reference, Review of BC Hydro”:

“The review will not alter or interfere with the normal, more detailed rate increase review which BCUC undertakes pursuant to its statutory authority.”

The British Columbia Utilities Commission’s statutory authority to conduct the RRA Proceeding hasn’t been altered nor is there any suggestion that it will be. At page 29, Volume 1 of the hearing transcript, counsel for the CEBC in responding to a question to all parties by Commissioner Rhodes said:

“I think the IR schedule can be maintained. The reason for this is typically there’s an evidentiary update in any revenue requirements application, and there’s always a round of information requests after that to reflect any changes to the application because of that. I think that even with a government review, the main body of the evidence is not going to change all that much. There certainly may be adjustments in terms of capital projects or water rentals as suggested by B.C. Hydro, but the core of it will remain the same.”

The CEBC’s position remains unchanged and it respectfully submits that the regulatory timetable set out in Exhibit A-7 be adhered to. Uncertainty is not a new phenomenon.

The CEBC also submits that the pre-hearing conference scheduled for April 20, 2011 should proceed. The agenda should be the same one set out in Exhibit A-4.

The CEBC agrees with BC Hydro's position as set out in Exhibit B-5 with respect to an interim rate increase. Contrary to the suggestion by the Association of Major Power Customers of British Columbia<sup>1</sup> that the CEBC thinks that consumer rates should be higher, the CEBC's position is based on the review of the filed evidence. And this evidence shows that primary reason for the requested rate increases is the effect of prior capital expenditures. They can't be undone and the collection of the money is already being partially deferred through the proposed rate smoothing mechanism.

If there is any evidence that BC Hydro is about to over-charge its customers during the period prior to the BCUC's final determination of the Application, it should be filed.

Yours truly,

“Original signed by David Austin”

David Austin

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<sup>1</sup> TR, V-1, page 38