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| Our File: | 11-2017 |
| Date: | October 5, 2011 |

British Columbia Utilities Commission
600-900 Howe Street
Vancouver, B.C.
V6Z 2N3

Attention: Ms. Alanna Gillis
Acting Commission Secretary

Dear Sirs/Mesdames:

**Re: BC Hydro F2012-F2014 Revenue Requirements Application
Project No. 3693622/Order G-40-11**

We write on behalf of the Association of Major Power Customers of British Columbia (“AMPC”) to respond to the Commission’s letter of September 28, 2011 (Exhibit A-15).

AMPC supports the revised initial regulatory timetable contained in Exhibit A-15 including the first procedural conference.

AMPC accepts the filing of the deadline for the DSM Expenditures Application should be Thursday November 24, 2011, being the date the amended F12-F14 Revenue Requirements Application will be due.

In AMPC’s submission it is essential that the DSM Expenditures Application proceed as part of the amended F12-F14 RRA or in very close parallel with it. BC Hydro indicates in its letter of September 27, 2011 that DSM, through reduced expenditures and increased amortization period, could reduce the revenue requirements by 60-120 million dollars. Clearly, to set permanent rates and to properly understand BC Hydro’s revenue requirement the DSM Expenditures Application must be reviewed and a decision reached in the same time frame intended for the F12-F14 RRA or earlier. If this is best achieved by separate proceedings AMPC supports that method of proceeding. If separate proceedings for the DSM Expenditures Application and the RRA Application will delay a final decision on the RRA Application AMPC supports a consolidated proceeding.

AMPC, like some other Interveners, is very concerned that up to half the proposed reduction in



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revenue requirements appears to be obtained by inappropriate deferrals of current period costs or unjustified income estimates. If this is correct the proposed revenue requirement reductions are artificial, will not be sustainable, and in fact, will come back to bite customers even harder in the future. This is not acceptable. AMPC urges BC Hydro and the BCUC to find real and permanent ways to reduce the revenue requirement to the levels proposed by BC Hydro.

Yours truly,

A handwritten signature in cursive script that reads "R. Brian Wallace".

Bull, Housser & Tupper LLP
R. Brian Wallace, Q.C.
RBW/skg/3220676