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October 14, 2015

**VIA ELECTRONIC MAIL**

British Columbia Utilities Commission  
Sixth Floor, 900 Howe Street  
Vancouver, BC  
V6Z 2N3

**Attention: Ms. Erica Hamilton, Commission Secretary**

Dear Sirs/Mesdames:

**Re: British Columbia Hydro and Power Authority (BC Hydro) 2015 Rate Design Application**

We are counsel to the Commercial Energy Consumers Association of British Columbia (CEC). The CEC represents the interests of those ratepayers receiving energy under Commercial tariffs in matters before the British Columbia Utilities Commission (BCUC or the Commission). The CEC has reviewed BCUC Order G-156-15 and provides its response to the Commission's invitation for submissions on the matters identified in Appendix B to the Order as set out below.

1. *BC Hydro's recommendation that the review process for the F2016 Cost of Service (COS) study, which could consist of a Negotiated Settlement Process (NSP), be addressed at its proposed December 2015 procedural conference. The Commission wishes to hear from all parties their positions on the significance of the F2016 COS study in the 2015 RDA given the recent B.C. Reg 140/2015 Order-in-Council (OIC) 405 dated July 15, 2015. This OIC set out that for F2017, F2018 and F2019, the Commission must not set rates for BC Hydro for the purpose of changing the revenue-cost ratio for a class of customers. The Commission wishes to hear: (a) if this F2016 COS study should be subject to Commission approval, endorsement, or to be limited in its use as a contextual document for rate design; and (b) if there should be a full review whether it should be undertaken as a NSP.*

- (a) The CEC submits that the F2016 COS study should have limited use as a contextual document for this rate design and should not be approved, endorsed, or accepted as a precedent for future rate considerations which should follow the period covered in B.C. Reg 140/2015, Order-in-Council (OIC) 405 dated July 15, 2015. The CEC does not object to the use of the F2016 COS study for the purpose of setting rates in this proceeding in the interest of regulatory efficiency given the limiting impact of the OIC.

The F2016 COS study received high level review by stakeholders in the BC Hydro Workshop process. The F2016 COS has not had the scrutiny of a Cost of Service expert as would be the normal course in a rate design proceeding where changes are proposed to previous Commission approved COS methodologies. Should BC Hydro choose to follow the F2016 COS as the methodology in a future rate design filing, the CEC submits that all parties should have the right to challenge any aspect of the subsequent filing irrespective of the Commission's use of the F2016 COS in this proceeding.

- (b) In the interest of regulatory efficiency, the CEC does not recommend that the Commission engage in a full review of the F2016 COS study. Given the limiting impact of the OIC, the CEC does not see material value in retaining an expert and pursuing a full review of the F2016 COS. The CEC recommends that, to the extent a review of the F2016 COS is required to define and determine its limited use, it could be best accomplished in an NSP process.

2. *BC Hydro's proposed accelerated process for Large General Service customers and Medium General Service customers who are without historical baseline to take service at 100 percent Part 1 Pricing. The Commission wishes to hear the need, if any, of a final order, separate from the main final order, for the different treatment of accounts who do not have historical baselines, including: (a) an accelerated process to make the proposed 100 percent Part 1 pricing effective January 1, 2016; (b) that it be reviewed by way of a written hearing; and (c) BC Hydro's proposed timetable.*

- (a) The CEC agrees with BC Hydro's proposal for an accelerated process for LGS and MGS customers without historical baselines to take service at 100% Part 1 pricing effective January 1, 2016.
- (b) The CEC agrees that it should be reviewed by way of a written hearing.
- (c) The CEC recommends that written submissions from interveners be filed by the end of November as proposed by BC Hydro in its Draft Order. The CEC also recommends that information requests on this limited topic be submitted to BC Hydro by the end of October, with BC Hydro's responses provided by mid-November.

3. *BC Hydro's proposed expedited processes for (i) freshet rate pilot for Transmission Services, requesting approval by February 1, 2016; (ii) Pricing Principles for Rate Schedule 1823; and (iii) other existing Transmission Service rates. The Commission wishes to hear the need for an order for the freshet rate pilot by no later than February 1, 2016, as well as the Streamlined Review Processes (SRP) and timetable proposed for the above three matters.*

- i. The CEC submits that an expedited process for approval of a freshet rate pilot aimed at approval by February 1, 2016 should be adopted by the Commission. The CEC submits that the freshet rate pilot should be open to Transmission Service customers

and General Service customers to ensure non-discriminatory development of this opportunity.

- ii. The CEC submits that an expedited process for establishing pricing principles for Rate Schedule 1823 should be adopted by the Commission.
- iii. The CEC submits that an expedited process for Rate Schedules 1852 and 1892 should be adopted by the Commission.

The CEC recommends that the Commission adopt a SRP for hearing these expedited processes. The CEC recommends that the Commission set the SRP for the above matters to be held in January 2016 as proposed by BC Hydro in its Draft Order.

*4. BC Hydro's proposed expedited process for Minimum Reconnection Charges in the electric tariff terms and conditions, requesting approval for implementation April 1, 2016. The Commission wishes to hear the positions from parties on the SRP expedited process and timetable proposed by BC Hydro.*

The CEC submits that an expedited process for minimum reconnection charges be adopted by the Commission for implementation by April 1, 2016. The CEC recommends that an SRP be set by the Commission for January 2016, as proposed by BC Hydro.

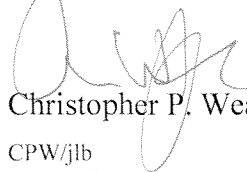
*5. Finally, any other relevant matters that parties wish to bring to the attention of the Panel before the procedural conference.*

The CEC has no additional matters that it wishes to raise prior to the procedural conference.

If you have any questions with respect to the foregoing, please do not hesitate to contact the writer.

Yours truly,

**OWEN BIRD LAW CORPORATION**



Christopher P. Weafer

CPW/jlb  
cc: CEC  
cc: BC Hydro  
cc: Registered Interveners