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VIA EMAIL

October 19, 2015

Ms. Erica Hamilton, Commission Secretary
British Columbia Utilities Commission
6th Floor 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Hamilton:

**RE: BC Hydro and Power Authority
2015 Rate Design Application
Non-Integrated Areas Ratepayers Group Submissions
Matters Arising from Appendix B G-156-15**

We are writing to provide submissions on behalf of our clients, the Heiltsuk Tribal Council and Shearwater Marine Limited, collectively registered as the Non-Integrated Areas Ratepayers Group (“NIARG”) in this proceeding. For ease of reference, the matters raised by the Commission in Appendix B of Order G-156-15 are reproduced below in italics.

1. Fiscal 2016 Cost of Service Study

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.

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Regarding matter (a) identified by the Commission, NIARG observes that BC Hydro's submissions on October 13, 2015 confirm that it is not seeking any approvals of the F2016 Cost of Service ("COS") Study. NIARG supports BC Hydro's approach of considering the F2016 COS study as evidence. NIARG also agrees with BC Hydro's intention to seek Commission endorsements of certain F2016 COS study methodologies, as such endorsements would tend to provide greater procedural efficiency and improved clarity for subsequent processes (e.g. RDA Module 2, F2019 COS study).

Regarding matter (b) identified by the Commission, NIARG submits that there should be a full review of the F2016 COS study. As noted above, and discussed in greater detail in BC Hydro's October 13, 2015 submissions, the F2016 COS study is intended to inform a number of issues in Modules 1 and 2, as well as the proposed F2019 COS study. Given the considerable impacts of the F2016 COS study, a full review is warranted. NIARG agrees with BC Hydro that such a review may begin with the first round of Information Requests ("IRs"). After the Responses to those IRs are considered by the Commission and Intervenor, parties should be invited to make submissions at the scheduled Procedural Conference regarding what further process (e.g. additional round(s) of IRs, NSP, oral hearing, etc.) would be appropriate to complete the review of the F2016 COS study.

2. Large General Service and Medium General Service 100 Per Cent Part 1

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.

NIARG is unable to take a position on these questions at this early stage of the proceeding.

3. BC Hydro's Proposed Expedited Review Processes for Transmission Service Rates

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.

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NIARG takes no position on these questions at this time.

4. Minimum Reconnection Charges

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.

NIARG observes that the operational circumstances that underlie the proposed reduction in Minimum Reconnection Charges already exist, so implementation of the changes earlier than BC Hydro's target date of April 1, 2016 appears warranted. NIARG agrees with BCSEA-SCBC's proposal to address this issue by way of a single round of IRs and a written hearing, with implementation of the changes targeted for January 1, 2016. The proposed Minimum Reconnection Charges will reduce the degree of financial hardship potentially imposed on low-income ratepayers. To the extent that such charges are reduced for Zone I customers, they should be reduced for Zone IB and Zone II customers by the same amount and at the same time.

5. Any Other Relevant Matters

Nexus Between Module 1 and Module 2

NIARG understands and acknowledges that BC Hydro intends to address Zone IB and Zone II rates in a subsequent process (e.g. Module 2).

NIARG considers it essential to participate in the Module 1 process because BC Hydro has identified three broad options for Zone IB and Zone II rates – “Maintain Status Quo”, “Full Cost Recovery” and “Equalize Zone II and Zone 1 Rates”. Zone IB and Zone II ratepayers would be at a tremendous disadvantage in assessing any of those options unless they are given a full opportunity to gain a thorough understanding of Zone I rates. Given the proposed process, such an understanding can only be achieved by participating in Module 1.

Current rates in Zone IB are essentially Zone I rates, as established by the Commission in the 2007 RDA proceeding, and include Residential, Small General Service, Medium General Service Conservation and Large Commercial rates. As such, there can be no doubt that the Zone IB ratepayers have a direct interest in all issues addressed in Module 1.

Zone II ratepayers have an essential interest in Module 1 issues because the determinations made by the Commission with respect to Zone I rates are expected to

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significantly inform or impact their own rates, which are proposed to be determined in Module 2.

NIARG's participation in Module 1 is essential to achieve both basic fairness and procedural efficiency. Fairness requires that the NIARG ratepayers have both the opportunity to gain a full understanding of Zone I rates and to make informed submissions to the Commission regarding its anticipated determinations of Zone I rates. NIARG's participation in Module 1 will also greatly enhance procedural efficiency in Module 2 by significantly reducing the time and process needed to come up to speed on issues addressed and determined in Module 1.

We invite BC Hydro to acknowledge the appropriateness and necessity of NIARG's Module 1 intervention in its reply submissions due October 26, 2015, including confirmation of the factual nexus between the two RDA Modules.

Participant Assistance Cost Awards ("PACA")

For NIARG, and no doubt for a number of other intervenors, Participant Assistance Cost Awards ("PACA") are an essential aspect of their ability to participate in regulatory proceedings before the Commission. BC Hydro's 2015 RDA appears likely to require a complex and potentially lengthy proceeding, making the Commission's early guidance on PACA budget estimates all the more necessary. The Regulatory Timetable included as Appendix A to Order G-156-15 does not identify a due date for submission of PACA budgets.

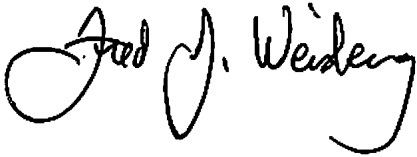
Given the crucial importance of providing Intervenor reasonable guidance regarding their prospects of receiving PACA funding, we suggest that the Commission consider establishing Wednesday, November 9, 2015 as the deadline for submission of initial PACA budget estimates for participation through completion of the Procedural Conference scheduled for January 12, 2016. Whatever due date the Commission establishes for submission of PACA budget estimates should be communicated to Intervenor as soon as possible.

The current uncertainty of the nature, length or complexity of process beyond the Procedural Conference makes it impractical to prepare informed budget estimates beyond January 12, 2016. We suggest that the Commission request PACA budget estimates for subsequent process shortly after it issues further procedural directions and a Regulatory Timetable arising from the Procedural Conference.

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All the above is respectfully submitted.

Yours truly,

A handwritten signature in black ink that reads "Fred J. Weisberg". The signature is written in a cursive style with a large, looping initial "F" and a distinct "J" before the surname.

Fred J. Weisberg
Barrister & Solicitor
Weisberg Law Corporation