

**Tom A. Loski**

Chief Regulatory Officer

Phone: 604-623-4046

Fax: 604-623-4407

bchydroregulatorygroup@bchydro.com

January 29, 2016

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

Dear Ms. Hamilton:

**RE: Project No. 3698781
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
2015 Rate Design Application (2015 RDA)
Rate Schedule (RS) 1892 – Transmission Service - Freshet Energy**

BC Hydro writes to confirm its acceptance of suggestions made by the Commercial Energy Consumers Association (**CEC**) at the January 25, 2016 Streamlined Review Process for the freshet rate. BC Hydro appreciates the constructive feedback provided by the CEC. We believe the suggested changes provide clarity and are improvements to our proposed language. Accordingly, we will incorporate them into the RS 1892 rate schedule. Since the changes are minor, BC Hydro intends to file the revised rate schedule as part of a compliance filing should the Commission approve the rate. The proposed changes are discussed below.

This filing will also correct any inconsistencies between the rate schedule filed in Exhibit B-1-1, Appendix G-1A and Exhibit B-1, Appendix F-1B, including the \$3/MW.h wheeling fee. BC Hydro confirms the most recent tariff language that it is seeking approval for is found in Exhibit B-1, Appendix F-1B.

At Pages 196 to 197 of the transcript, the CEC suggested the following improvements to BC Hydro's proposed RS 1892, which is found in Appendix F-1B of Exhibit B-1.

1. Defining the acronym ICE, which BC Hydro confirms stands for "Intercontinental Exchange"
 - BC Hydro notes that existing RS 1253 and RS 1853 in the Electric Tariff and Schedules 06 and 09 in the Open Access Transmission Tariff refer only to ICE. BC Hydro agrees with the CEC's suggestion for RS 1892 and, for consistency reasons, will modify the language in these other rate schedules in a future compliance filing.

2. Clarifying the definitions of “HLH Gross Freshet Energy” and “LLH Gross Freshet Energy” on page 1 of 5 by replacing “excluding all hours where the difference is negative” with a statement that excludes all energy below the baseline from the calculation.
 - BC Hydro agrees with this suggestion. For greater clarity, BC Hydro will change these definitions as follows:

HLH Gross Freshet Energy: “...excluding all hours where the difference is negative ***‘energy taken is less than the HLH Baseline’***”

LLH Gross Freshet Energy: “...excluding all hours where the difference is negative ***‘energy taken is less than the LLH Baseline’***”
3. Clarifying the language on page 3 of 5 under RS 1892 Energy Determination by adding the word “HLH” to the first paragraph and the word “LLH” to the second paragraph as follows:

First paragraph: “...and the product will be the amount of ***‘HLH’*** energy supplied during that hour under this Rate Schedule 1892”

Second paragraph: “...and the product will be the amount of ***‘LLH’*** energy supplied during that hour under this Rate Schedule 1892”

 - BC Hydro agrees with the CEC that additional clarity will be provided with the following slightly different changes:

First paragraph: “...and the product will be the amount of energy supplied during that ***‘HLH’*** hour under this Rate Schedule 1892”

Second paragraph: “...and the product will be the amount of energy supplied during that ***‘LLH’*** hour under this Rate Schedule 1892”

For further information, please contact Gordon Doyle at 604-623-3815 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Tom Loski
Chief Regulatory Officer

jm/ma

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