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February 16, 2016

VIA ELECTRONIC MAIL

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, B.C.
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Attention: Ms. Erica Hamilton, Commission Secretary

Dear Sirs/Mesdames:

**Re: British Columbia Hydro and Power Authority (BC Hydro)
2015 Rate Design Application Module 1, Project No. 3698781/G-156-15
Negotiated Settlement Process for Cost of Service Study and Rate Class
Segmentation**

We are counsel to the Commercial Energy Consumers Association of British Columbia (CEC) and write in response to the Commission's letter dated February 11, 2016 (Exhibit A-18) requesting submissions with respect to the above-noted matter and in particular, the following:

- 1) Confirmation from parties who intend to participate in the settlement discussions (time and place indicated in Attachment A).**

The CEC will participate in the NSP.

- 2) Submissions from registered interveners on BC Hydro's submission in its letter dated January 21, 2016 (Exhibit B-10). Specifically, BC Hydro states that those Commission staff identified by the Chair at the commencement of the procedural conference should be established by the Panel as Active Participants for any F2016 COS NSP in accordance with Part IV, section 1(v) (a) of the NSP Guidelines;**

A technical interpretation of the comments made by Commission staff through counsel at the procedural conference, as set out in BC Hydro's submissions in its letter dated January 21, 2016, is that staff identified by the Chair at the commencement of the procedural conference should be established by the Panel or Active Participants for any F2016 COS NSP in accordance with Part IV, Section 1(iv)(a) of the NSP Guidelines. To the extent the Commission Panel will require any Commission staff support in proceeding to Decision writing emanating from the NSP or a subsequent hearing on the matter the Commission would best utilize staff resources other than those staff identified at the Procedural

Conference. The CEC notes that the Panel will have access to the Facilitator should there be any need for consultation on parties' positions emanating from the NSP process.

3) Comments on the specific issues related to the COSS and rate class segmentation including the street lighting rate class proposal that parties wish to have addressed in the NSP.

The CEC will want to deal with the following specific issues in the NSP:

1. The use of this COS for this regulatory process only and a full review in 2019;
2. The Distribution Classification revised to 76% demand and 24% customer;
3. The Heritage Hydroelectric Classification various options; and
4. Generation Demand and Transmission allocation.

The CEC anticipates dealing with all matters raised in the NSP and expects that it may have some additional issues arising from preparation before the NSP. However, given the limited purposes of this COS the CEC expects to be able to engage in a cooperative NSP and reach a suitable NSA.

4) Appointment of Facilitator

The CEC supports the recommendation by the Commission Panel that the Facilitator of the NSP be Ms. Liisa O'Hara. Ms. O'Hara is knowledgeable, credible and respected and the CEC is confident that she will fill the role fairly and appropriately.

If you have any questions regarding the foregoing, please do not hesitate to contact the undersigned.

Yours truly,

OWEN BIRD LAW CORPORATION



Christopher P. Weafer

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