

VIA COMMISSION E-FILING

August 10, 2016

British Columbia Utilities Commission
6th Floor - 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Ms. Laurel Ross, Acting Commission Secretary

Dear Madam:

**Re: BC Hydro 2015 Rate Design Application (RDA) - Project No. 3698781/G-156-15
Zone II Ratepayers Group (ZonellRPG)
Oral Hearing Process (Exhibit A-38)
Opening Statement and Direct Testimonies (Exhibit B-38)**

Further to the Commission's August 9, 2016 letter (Exhibit A-38) explaining the oral hearing process and BC Hydro's August 9, 2016 letter (Exhibit B-38) outlining various aspects of the upcoming oral hearing process, ZonellRPG has the following matters for the Commission to consider.

Exhibit B-38 filed by BC Hydro states the following:

BC Hydro notes that there will not be a witness specifically speaking to demand-side management (**DSM**) related issues as, in BC Hydro's view, that issue is more appropriately addressed as part of BC Hydro's Fiscal 2017 to Fiscal 2019 Revenue Requirements Application, filed on July 28, 2016, and which seeks acceptance of BC Hydro's proposed F2017 to F2019 DSM expenditure schedule.

And Exhibit A-38 filed by the Commission states that:

- If any participant has a preliminary matter or motion that it wishes to bring at the commencement of the Hearing, prior to evidence being heard by the Commission Panel, the participant must advise Commission Counsel of that matter or motion by 4:00 p.m., Friday, August 12, 2016.
- The Commission Panel may deal with any preliminary matters or motions prior to the hearing of the evidence of the first BC Hydro panel of witnesses.

In ZoneIIIRPG's view BC Hydro should have a witness speaking to DSM related issues for the following reasons:

1. The rates BC Hydro charges under its tariff comprise both the specific rate and services and DSM is a service provided under the rate.
2. The RDA addresses DSM service and not the forecast costs of the service which we accept is more appropriate for BC Hydro's Fiscal 2017 to Fiscal 2019 Revenue Requirements Application, filed on July 28, 2016.
3. BC Hydro has responded to IR's associated with DSM.
4. ZoneIIIRPG would like to pursue clarifications on DSM matters in the oral hearing.
5. The DSM programs are important to the community and customers represented due to the remote northern location, the cost of electricity, initiatives by the Kwadacha Nation and the rapidly approaching heating season.

ZoneIIIRPG is requesting clarification from the Commission Panel on whether BC Hydro should be prepared to speak to DSM related issues and given the implications of this matter that the Commission provides direction prior to the commencement of the oral hearing.

Yours truly,



Linda Dong
Representing Zone II Ratepayers Group

cc: Mr. Paul Miller
Commission Counsel