



Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, BC
Canada V6C 3L2

March 16, 2017

DELIVERED

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

Attention: Ms. Erica Hamilton
Commission Secretary

Jeff Christian
T: 604.631.9115
F: 604.669.1620
jchristian@lawsonlundell.com

Dear Ms. Hamilton:

**E-Plus Homeowners Group Application for Reconsideration and Variance of Order G-5-17
in the matter of the BC Hydro 2015 Rate Design Application (EPHG Application)**

This submission is made on behalf of BC Hydro and further to the Commission's procedural order of February 24, 2017 (Exhibit A-2) where the Commission established phase one of the reconsideration process for the EPHG Application.¹

In Exhibit A-2 the Commission advised that phase one of the reconsideration application would involve consideration of the following questions:

- Should there be a reconsideration by the Commission?
- If there is to be a reconsideration, should the Commission hear new evidence and should new parties be given the opportunity to present evidence?
- If there is to be a reconsideration, should it focus on the items from the application for reconsideration, a subset of these items, or additional items?

Set out below are the phase one submissions of BC Hydro which will address each of the Commission's questions.

¹ EPHG Application, Exhibit B-1.

SHOULD THERE BE A RECONSIDERATION?

BC Hydro has reviewed Mr. Andrews' submissions filed on March 6, 2017 (Exhibit C1-1), on behalf of BCSEA/SCBC and in response to the EPHG Application. BC Hydro confirms for the record of this proceeding that:

- (i) it has sought and received an extension of time to file its proposed 5-year E-Plus phase-out plan to June 1, 2017; and
- (ii) BC Hydro's June 1 filing will address the "shape" of the 5-year phase-out (i.e. straight-line phase-out or otherwise), how the default residential rate will be phased-in, and how customers' E-Plus accounts will be merged with their non-E-Plus accounts.

BC Hydro also confirms its understanding that the EPHG seeks reconsideration of the phase-out period, and not the phase-out *per se*, and in particular that it seeks to vary the 5-year phase-out to a 10 year phase-out.²

In this context, BC Hydro believes Mr. Andrews' submissions regarding the key phase one question - should there be a reconsideration - have merit. In particular, BC Hydro agrees that the EPHG did not have notice as clear as they might have had regarding the possibility that the Commission might order a 5-year phase-out of the rate, or that submissions in regard to alternate phase-out periods would have been permissible. BC Hydro agrees that this raises a procedural fairness concern, and that it would be appropriate to allow the EPHG an opportunity to make submissions on the relative merits of a 5-year phase-out vs. a 10-year phase-out period in phase two of a reconsideration proceeding.

NEW EVIDENCE

BC Hydro agrees with Mr. Andrews that the EPHG should be provided with an opportunity to supplement its evidence in the event that the Commission agrees to advance the reconsideration application to phase two, and that reconsideration on the merits ought to be limited to the issue of a 5-year phase-out vs. a 10-year phase-out period.

Finally, and assuming the Commission decides to move to phase two and allow submissions on the merits of alternative phase-out periods, BC Hydro would be willing to expand the scope of its June 1, 2017 filing to provide analyses of the alternate 5-year and 10-year phase-out periods. Submissions on the merits of the alternative phase-out periods could follow that filing and be informed by the analyses contained in it.

² EPHG Application, p 2 and pp 6-9.

SCOPE OF RECONSIDERATION

As suggested above, BC Hydro believes that if the EPHG Application is allowed and the reconsideration moves to phase two, the sole issue should be whether the rate is phased-out over 5-years or 10-years.

Yours very truly,

LAWSON LUNDELL LLP

A handwritten signature in blue ink, appearing to read "Jeff Christian", is written over the typed name.

Jeff Christian
JC/beg