

April 18, 2018

VIA E-FILING

Patrick Wruck
Commission Secretary
BC Utilities Commission
6th Floor 900 Howe Street
Vancouver, BC V6Z 2N3



Reply to: Leigha Worth
lworth@bcpiac.com
Ph: 604-687-3034
Our File: 7678

Dear Mr. Wruck:

Re: Creative Energy Vancouver Platforms Inc. (Creative Energy) 2018-2022 Revenue Requirements Application (the Application) Project No. 1598938

We make the following submissions on behalf of our client groups known in this process as BCOAPO et al. pursuant to the BC Utilities Commission's (BCUC) letter of April 3, 2018 (Marked as Exhibit A-6) requesting submissions from the Utility and interveners regarding the IR's identified by Creative Energy should be considered out of scope or not, or whether they should be modified to reduce the informational burden they pose.

It is Creative Energy's position that it should not be required to answer BCOAPO's IR 11: an IR that asks for any cost of service information they may have available. With respect, BCOAPO does not agree with any representation that our IR 11 is over-broad or out of scope. Creative has chosen to propose a multi-year IBR scheme rather than a traditional cost of service RRA, so it is critical to set initial 2018 rates as close as possible to actual 2018 costs and, for that, we and the Commission need the requested information. Our view, based on accepted regulatory practice, is that initial rates in any such plan must be cost-based at the outset with any approved subsequent mechanical adjustments applied to that base thereafter. Absent that solid, Commission approved basis upon which to proceed, the ratepayers bear an unnecessary risk that an initially inflated base (i.e., above actual costs) would start with a bias in favour of the shareholder and that bias would then be inflated over the term of the plan by the escalation factor. The starting point should not be arbitrary but rather be based on rigorously tested and approved forecasts.

Due to the critical importance of accurate starting rates and the risk of compounding the negative impact an inaccurate base with subsequent adjustments, we submit that the company be directed to provide the information sought by BCOAPO in its IR 11.

Please do not hesitate to contact me should you have any questions.

Yours truly,
BC Public Interest Advocacy Centre

Original on file signed by

Leigha Worth
Barrister & Solicitor
Executive Director

