

Robert Hobbs
Email: rhobbs@shaw.ca
Phone: 778-887-1991

May 30, 2018

Via Email
Mr. Patrick Wruck
Commission Secretary and Manager, Regulatory Support
British Columbia Utilities Commission
Sixth Floor, 900 Howe Street, Box 250 Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

Re: Fortis BC Inc. – Self-Generation Policy Stage II Application- Project No. 1598895

By letter dated May 18, 2018 (Exhibit A-11), the Commission sought comments from participants regarding three issues highlighted below. By letter dated May 24, 2018 (Exhibit B-13), FortisBC responded to the Commission letter with comments. By this letter, Celgar responds to the Commission request for comments and the FBC letter.

A further round of information requests is required;

Celgar does not believe a further round of information requests is required, provided that Exhibit A2-1 is removed from the record as requested below.

The proceeding should go directly to final argument; or

Celgar does not believe the proceeding can go directly to final argument on the basis of the record if it includes the Dennis Swanson Witness Statement submitted by Commission staff on February 8, 2018 (Exhibit A2-1). On the same day (February 8, 2018), Celgar submitted IR No. 1 to FBC and therefore did not have a reasonable opportunity to include information requests relevant to the Dennis Swanson Witness Statement nor to object (prior to it being entered into evidence) to Exhibit A2-1 being entered on the record.

In these circumstances, Celgar requests that the Dennis Swanson Witness Statement be removed from the record of this proceeding before any further process is established by the Commission Panel. Provided that Exhibit A2-1 is removed from the record, Celgar does not object BCUC IR No. 2 (Exhibit A-8), and the FBC responses (Exhibit B-6) remaining on the record with no deletions. In the event Exhibit A2-1 is not removed from the record, then Celgar requests as a matter of procedural fairness that the regulatory timetable include: 1) an opportunity for intervener information request No. 2, 2) an opportunity to file intervener evidence, and 3) an oral hearing, in part to cross-examine Dennis Swanson.

To be clear, Celgar believes the proceeding can go directly to final argument, provided that Exhibit A2-1 is removed from the record of this proceeding.

An Alternate Procedural Process should be considered by the Panel.

In response to this request for comments, FBC recommends an NSP. Celgar opposes this FBC recommendation for the reasons noted below.

This process began with the FBC filed SGP Application on January 9, 2015. Following a procedural conference (February 5, 2015), the Commission determined that a two stage process should be followed. The first stage was completed with Order G-27-16 dated March 4, 2016 and the accompanying decision. In the Stage I Decision, the Commission defined certain expectations regarding the objectives of the FBC's SGP and GBL Guidelines. One of those objectives was to ultimately satisfy the concerns raised regarding the Section 2.5 Restrictions.¹ Another finding in the Stage I Decision was that the "comprehensive SGP" should establish policies that assist in mitigating barriers to cost-effective clean self-generation.²

In this proceeding, Celgar submits that the Commission should approve policies that establish province-wide standards for mitigating barriers to cost-effective clean self-generation. Celgar believes that the Stage I Decision identifies such considerations as relevant to this proceeding. Regarding whether or not NSP is the appropriate process for such policy development, the NSP Guidelines are instructive. The NSP Guidelines identify considerations as to "When Is A Negotiated Settlement Process Appropriate?" The second of the considerations follows:

Will the application pose policy issues about which there is no established Commission precedent? If so, all or portions of the application may not be suitably addressed by negotiation.³

Celgar submits that the instant Application poses "policy issues about which there is no established Commission precedent". If the Commission agrees, then all or portions of the application may not be suitably addressed by negotiation. In the current circumstances, Celgar submits that the Commission should not attempt to identify portions of the Application suitable for NSP. That is, the Commission should not attempt to distinguish policy issues from other issues. If the Commission agrees, then Celgar submits that the Commission should also conclude that this proceeding is not appropriate for NSP.

If the Commission accepts the FBC recommendation for an NSP for a portion of the Application, then Celgar requests that the Commission Panel give the interveners an opportunity to provide comments about the portions of the Application that may not be suitably addressed by negotiation. Following intervener comments, the Commission can establish the NSP with directions as to the portions of the Application that are not suitable for NSP.

¹ Order G-27-16 Decision, p. (i)

² Ibid, p. (ii), second para.: also the Stage I Decision stated at page14, this can be of benefit to the entire province.

³ NSP Guidelines, Order G-11-12, p. 1, Section III, item (ii)

Also relevant to whether the proceeding should go directly to final argument or to an NSP are the number of regulatory proceedings that directly or indirectly relate to the SGP Application, including Orders G-38-01, G-174-15, and G-60-14.⁴ Celgar opposes NSP, for the reasons noted above related to the policy development objectives of this proceeding, and: 1) because the Commission has already made significant determinations relevant to this Application, and 2) because interpretations of previous decisions will be necessary to appropriately consider the settlement agreement. Celgar submits that it will be more helpful to the Commission to consider comprehensive argument regarding far reaching policy issues, instead of argument limited to the terms of the settlement agreement. In other words, Celgar does not believe that when, as in the current circumstances, the Commission has already made significant determinations that are relevant to issues for the NSP that an NSP is appropriate.

Yours truly,

(original signed)

Robert Hobbs

⁴ Ibid., p. 5