



**Fred James**

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August 2, 2018

Mr. Patrick Wruck  
Commission Secretary and Manager  
Regulatory Support  
British Columbia Utilities Commission  
Suite 410, 900 Howe Street  
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

**RE: Project No. 369887  
British Columbia Utilities Commission (BCUC or Commission)  
British Columbia Hydro and Power Authority (BC Hydro)  
Capital Expenditures and Projects Review  
Compliance with Commission Order No. G-126-18  
Written Submission on the Proposed Evidence Summaries**

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BC Hydro writes pursuant to the regulatory timetable set out in Commission Order G-126-18 to provide written comments on the evidence proposed to be filed by Commission staff and the Commercial Energy Consumers Association of British Columbia ("CEC").

### **Comments on Evidence Summary of the Commission Staff**

BC Hydro does not oppose the proposal of Commission staff to file a jurisdictional review. BC Hydro notes it cannot comment at this time as to whether the three jurisdictions indicated by Commission staff are an adequate or relevant sample of jurisdictions.

BC Hydro requests that if the Commission determines that it is appropriate for the Commission staff to file its proposed evidence, that it should follow a process similar to that followed in respect of the independent expert report filed in FortisBC Energy Inc.'s 2016 Rate Design Proceeding.<sup>1</sup> Similar to the Commission's process in that proceeding, BC Hydro requests that the Commission clarify the following:

- Commission staff will manage the logistics and budget of the work and will ensure that the consultant adheres to the scope of the project;

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<sup>1</sup> FortisBC Energy Inc. 2016 Rate Design Application - Project No. 3698899, Exhibit A-7, Letter dated April 26, 2017 - Commission Submitting Scope of Rate Design Report.

- Commission staff will not take a position on any topic in the report and will not influence any opinion of the consultant;
- the consultant will not make any recommendations on any of BC Hydro's proposals; and
- the consultant will be subject to information requests by all parties.

### **Comments on Evidence Summary of the CEC**

The CEC acknowledges that the Commission denied its original proposal to review BC Hydro's internal processes, and provides a high-level description of the evidence that it now proposes to file, stating that the "focus of the evidence will be on the types of information that are appropriate for the Commission and interveners to have at their disposal in order to be able to adequately assess BC Hydro decisions and provide comfort that the necessary considerations have been evaluated."

While the CEC's proposal has been revised, BC Hydro is concerned that the CEC will seek to accomplish indirectly what it could not do directly. BC Hydro is also concerned that the CEC's proposal will seek to unnecessarily complicate BC Hydro's Capital Filing Guidelines. In each regulatory proceeding, the onus is on BC Hydro to file sufficient evidence to justify its proposals. Further, each proceeding provides reasonable opportunities for interveners to request information necessary to assess BC Hydro's capital expenditures. BC Hydro's Capital Filing Guidelines should remain a reasonably high level set of guidelines, rather than a detailed compendium of evidentiary requirements. Finally, given the jurisdictional review proposed by Commission staff, BC Hydro questions whether the CEC's evidence is necessary.

Should the Commission determine it is appropriate for the CEC to file evidence, for procedural efficiency, BC Hydro submits the CEC should be required to file its evidence by the same time line proposed by Commission staff - Monday, September 10, 2018. In the event that the CEC's evidence is not limited to the approved scope of this proceeding, BC Hydro would request that any Participant Allowance and Cost Award (PACA) funding associated with evidence that is not in scope be denied.

### **Request for the Opportunity to File Rebuttal Evidence**

Should the Commission determine that it is appropriate for the Commission staff or CEC or both to file evidence, BC Hydro requests the opportunity to file rebuttal evidence. While BC Hydro cannot determine at this time whether it will need to file rebuttal evidence or the scope of such evidence, examples of potential rebuttal evidence include evidence regarding circumstances particular to BC Hydro that make practices in other jurisdictions not applicable, or regarding the availability, reasonableness or usefulness of

any information the CEC may propose be included in regulatory filings, or regarding considerations the CEC may claim are necessary to evaluate.

The opportunity to file rebuttal evidence is customarily granted by the Commission in its proceedings, as procedurally the applicant should have the opportunity to respond to new evidence filed in the proceeding. BC Hydro submits that providing the opportunity to file rebuttal evidence will also ensure that the Commission has a full and fair evidentiary record on which to base its decision in this proceeding.

BC Hydro requests that the deadline for its rebuttal evidence be one week from the filing of responses to information requests (IRs) on the evidence of Commission staff and/or CEC (if permitted by order of the Panel).

BC Hydro notes that Commission staff has indicated that it would be beneficial for its evidence to be filed prior to further information requests to BC Hydro. BC Hydro proposes that it would be efficient for the second round of information requests directed to BC Hydro to occur as the final process step in this proceeding, after the filing of evidence, IRs on that evidence, and the filing of BC Hydro's rebuttal evidence (if any). BC Hydro proposes that the order of process steps be as follows:

<b>Action</b>	<b>Date (2018)</b>
Filing of Evidence (if permitted by order of the Panel)	September 10
Information Requests (IRs) on any Filed Evidence	September 26
Responses to IRs on any Filed Evidence	October 10
BC Hydro's Rebuttal to Filed Evidence (if any)	October 17
BCUC and Intervener IRs on BC Hydro's Revised Proposal and Rebuttal Evidence (if any)	October 31
BC Hydro's responses to IRs on Revised Proposal and Rebuttal Evidence (if any)	November 21
Final Argument	November 28
Intervener Final Argument	December 12
Reply Argument	December 19

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For further information, please contact Geoff Higgins at 604-623-4121 or by email at [bchydroregulatorygroup@bchydro.com](mailto:bchydroregulatorygroup@bchydro.com).

Yours sincerely,



Fred James  
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