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Our File: 23841/0146

August 27, 2018

## VIA ELECTRONIC MAIL

British Columbia Utilities Commission  
Sixth Floor, 900 Howe Street  
Vancouver, BC  
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**Attention: Patrick Wruck, Commission Secretary and Manager, Regulatory Support**

Dear Sirs/Mesdames:

**Re: British Columbia Hydro and Power Authority Review of the Regulatory Oversight of Capital Expenditures and Projects ~ Project 3698877**  
**Re: Order No. G-148-12**

We are counsel to the Commercial Energy Consumers Association of British Columbia (the "CEC") in this matter. In the above-noted Order the Commission set the regulatory timetable indicating CEC's evidence would be due Monday, October 15, 2018. The CEC is working towards that date. In the Order, the Commission noted that BC Hydro had indicated in its submissions participant allowance and costs award should only be approved for evidence that is in scope for the proceeding.

Attached is a summary of evidence which the CEC intends to file on October 15, 2018. The summary is filed in order to get confirmation from the Commission that the topics are in scope. The CEC submits that the information requirements which the CEC proposes to identify in its evidence should be available to the Commission in order to assess and provide effective oversight of capital expenditures and projects of BC Hydro.

The CEC submits that the information set out in the proposed CEC evidence is within scope and is directly supported by section 43(1)(b)(i) of the *Utilities Commission Act* which provides that a public utility must provide all of the information that the Commission requires. The CEC's evidence will propose information that the Commission should require from BC Hydro.

The CEC does not wish to take the risk of expending the time and costs associated with producing the evidence if it is to be deemed out of scope by the Commission. The CEC respectfully requests that the Commission rule if the proposed CEC evidence topics are in scope.

August 27, 2018

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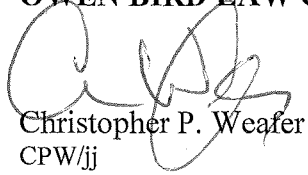
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All of which is respectfully submitted.

Yours truly,

**OWEN BIRD LAW CORPORATION**

A handwritten signature in dark ink, appearing to read 'CPW', is written over the printed name of Christopher P. Weafer.

Christopher P. Weafer

CPW/jj

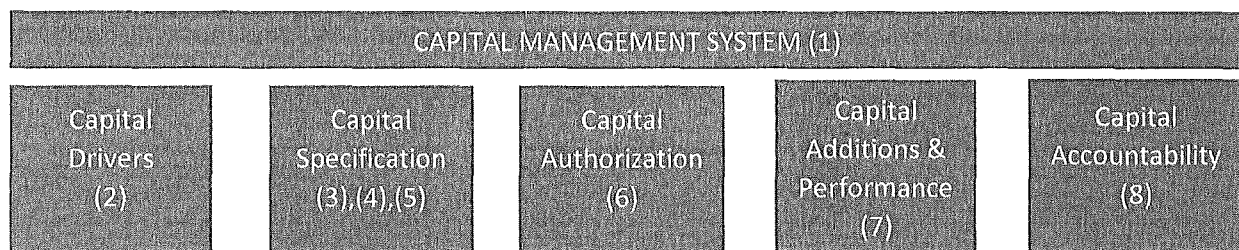
cc: CEC

cc: BC Hydro

cc: Registered Interveners

COMMERCIAL ENERGY CONSUMERS  
REVIEW OF THE REGULATORY OVERSIGHT OF CAPITAL EXPENDITURES AND PROJECTS  
FOR BC HYDRO

The CEC expects to provide evidence with respect to appropriate Commission information requirements of BC Hydro in order to effectively carry out its oversight and regulatory responsibilities with regard to BC Hydro's capital investments. The following is a diagram of the key Capital Management system components and a brief description of the scope of some of the information requirements the CEC intends to examine as appropriate for enabling effective Commission oversight and regulatory decision making.



1. Information Requirements for Commission Review of Capital Management
  - a. Capital Management System
  - b. Capital Expenditure Cost-Effectiveness
  - c. Capital Cost & Benefit Management
  - d. Capital Asset Performance
2. Information Requirements for Commission Review of Capital Drivers
  - a. Asset Condition
  - b. Risk
  - c. Improvement
  - d. Need, Demand & Requirements
3. Information Requirements for Commission Review of Capital Strategies  
(Performance, Risk, Opportunities, Needs & Requirements)
  - a. Capital Asset Strategies
  - b. Capital Program Strategies
  - c. Capital Project Strategies
  - d. Capital Acquisition Strategies
4. Information Requirements for Commission Review of Capital Plans  
(Stage, Schedule, Needs, Costs, Approval, Implementation, Assessment)
  - a. Capital Planning System
  - b. Capital Plans by Assets Type
  - c. Capital Planning Performance

5. Information Requirements for Commission Review of Capital Specification  
(Identification, Purpose, Alternatives, Cost, Benefits, Schedules, Consultations)
  - a. Capital Program Development
  - b. Capital Project Development
  - c. Capital Acquisition Development
6. Information Requirements for Commission Review of Capital Decision Making  
(Quality, Critiques, Improvement, Justification, Feedback, Changes, Approvals)
  - a. Business Case  
(Options, Costs, Benefits, Tradeoffs, Priorities, Risks, Integration, Impacts)
  - b. Evaluations  
(Measurement, Tracking, Monitoring, Reporting)
  - c. Performance
7. Information Requirements for Commission Review of Capital Additions & Performance
  - a. Anticipated Additions of Capital to Investment Base
  - b. Anticipated Retirements of Capital from Investments Base
  - c. Anticipated Impact of Additions and Retirements on Operations
  - d. Anticipated Impacts of Additions and Retirements on Rates
  - e. Anticipated Performance of Capital Before and After Additions & Retirements
8. Information Requirements for Commission Review of Capital Post Implementation
  - a. Post Program/Project/Acquisition Expenditure Assessment  
(Costs Incurred, Results Delivered, Benefits Achieved)
  - b. Evaluation of Performance  
(Decision Makers, Program/Project/Acquisition Implementers, Planners, Strategists, Risks)
  - c. Accountability & Responsibility
  - d. Recording, Tracking and Monitoring
9. Information Requirements for Commission Processes for Review of Capital
  - a. Capital Driver & Specification Planning
  - b. Certificates of Public Convenience and Necessity
  - c. Expenditure Schedule
  - d. Revenue Requirements Rate Setting
  - e. Annual Reporting

The CEC expects that all of the issues and items reviewed and proposed will be for information that the Commission should have available in its processes to ensure that it can be effective. All proposals derived from the CEC analysis and evidence will be aimed at this objective and will not deal with proposing direction of any BC Hydro internal management of capital. Therefore the CEC expects that all of its evidence and recommendations will be in scope.