

BRITISH COLUMBIA UTILITIES COMMISSION
IN THE MATTER OF THE UTILITIES COMMISSION ACT
R.S.B.C. 1996, CHAPTER 473

And
British Columbia Hydro and Power Authority -
F2020-F2021 Revenue Requirements Application

VANCOUVER, B.C.
June 24, 2019

PROCEDURAL CONFERENCE

BEFORE:

D.M. Morton,	Chair
A. Fung, Q.C.,	Commissioner
R.I. Mason,	Commissioner
E.B. Lockhart	Commissioner

VOLUME 2

INDEX

PAGE

Volume 2, June 24, 2019

SUBMISSIONS BY MR. GHIKAS134
SUBMISSIONS BY MR. WEAFFER154
SUBMISSIONS BY MR. ANDREWS162
SUBMISSIONS BY MR. KEEN164
SUBMISSIONS BY MR. WEIMER175
SUBMISSIONS BY MS. WORTH178
SUBMISSIONS BY MR. HOOGE182
SUBMISSIONS BY MS. McLEAN187
SUBMISSIONS BY MS. GJOSHE190
SUBMISSIONS BY MR. McCANDLESS192
SUBMISSIONS BY MR. INCE194
SUBMISSIONS BY MR. MILLER196
REPLY BY MS. WORTH197
REPLY BY MR. WEIMER198
REPLY BY MR. KEEN199
REPLY BY MR. ANDREWS200
REPLY BY MR. WEAFFER201
REPLY BY MR. GHIKAS202

INDEX OF EXHIBITS

NO.	DESCRIPTION	PAGE
C11-4	OUTLINE SUBMITTED BY AMPC	164

1 **VANCOUVER, B.C.**
2 **March 15th, 2019**

3 **(PROCEEDINGS RESUMED AT 9:01 A.M.)**

4 THE CHAIRPERSON: Please be seated. Thank you.

5 Good morning, ladies and gentlemen. My
6 name is Dave Morton. With me are Commissioners Anna
7 Fung, Blair Lockhart and Richard Mason. Welcome to
8 this morning's proceeding to consider various matters
9 related to BC Hydro's fiscal 2020 to 2021 revenue
10 requirement application filed on February 25th of this
11 year.

12 Commission order G-45-19 issued March 1st
13 established this procedural conference. Exhibit A-7
14 issued June 14th parties were invited to provide
15 submissions on a number of items, specifically whether
16 the Peace Region electric supply project meets the
17 requirements to be considered a prescribed undertaking
18 under section 18 of the *Clean Energy Act* pursuant to
19 section 4(2) of the *GGRR* Regulation. And we only
20 require preliminary submissions at this time.

21 And secondly, whether the MIN to LNG Canada
22 Interconnection Project meets the requirements for the
23 *Transmission Upgrade Exemption Regulation* as amended
24 by B.C. Regulation 160/2018 to exempt the project from
25 Part 3 of the *Utilities Commission Act*. Again, only
26 preliminary submissions are required at this time.

1 Hydro will advise the BCUC and propose an alternative
2 time line.

3 The Panel requests that BC Hydro please
4 provide an estimate of when there is expected to be
5 more certainty around this date. And what alternative
6 date could be expected if the August 8th date isn't
7 met.

8 Further, we also ask BC Hydro and all
9 parties to please address the issues of how we can set
10 a regulatory timetable when there is this uncertainty
11 around the August 8th date.

12 After considering your submissions, the
13 panel will issue a procedural order as soon as
14 possible which will address the matters that are the
15 subject of today's procedural conference.

16 At this stage, it's my pleasure to
17 acknowledge and introduce a number of individuals who
18 are playing a role in the review of this application.
19 Sitting in the front row on my right, Tanya Lai is our
20 senior regulatory specialist. She is lead staff for
21 the application. With her is Yolanda Domingo,
22 executive director and the project manager for the
23 application, and Sarah Khan, our in-house counsel.

24 The Commission's external counsel for the
25 proceeding, Paul Miller from Boughten Law Corporation,
26 and finally our hearing officer, Mr. Hal Bemister.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Proceeding Time 9:05 a.m. T03

Before Mr. Miller takes over, I'd ask you to please make sure your submissions are directed to the issues that I've just outlined, together with any other issues or you or any of the other participants identify and that the panel accepts as appropriate for addition to the agenda. In identifying any additional issues please bear in mind that it's not the purpose or goal of this conference to compare or discuss the merits of the application, but to address the issues I've just described.

After appearances, the order of submissions will begin with BC Hydro first, and then follow the order of appearances. Once we reach the end of the interveners we'll begin with the last intervener to speak and everyone will have a right to reply to other interveners' submissions in reverse order and BC Hydro will then have the final right of reply.

In the view of the Panel we think that the issues are most efficiently canvassed collectively as opposed to issue by issue, but if anyone disagrees and you have a particular issue that you'd like to bring to our attention for -- and single out for treatment by itself, please let us know and address this during your appearance, please.

So I'll ask Mr. Miller to call for

1 appearances. When you enter your appearance, please
2 state your name for the record, the party you
3 represent and identify the additional issues at that
4 time, and how you prefer the issues to be dealt with,
5 and please also spell your last name for the record.

6 Mr. Miller, please go ahead. Thank you.

7 MR. MILER: Thank you, Mr. Chair. The first in the
8 order of appearances is the applicant, BC Hydro and
9 Power Authority.

10 MR. GHIKAS: Good morning, Mr. Chairman, Commissioners.

11 THE CHAIRPERSON: Good morning.

12 MR. GHIKAS: Matthew Ghikas, G-H-I-K-A-S, appearing on
13 behalf of BC Hydro and Power Authority.

14 I wanted to introduce today a few people
15 who are integral to the process. First of all behind
16 me, immediately behind me, Janet Fraser, who is the
17 executive vice president of people, customer and
18 corporate affairs. Sitting next to Ms. Fraser is
19 David Wong, the executive vice president of finance,
20 technology, supply chain, and chief financial officer.
21 Immediately to my right is Fred James, the chief
22 regulatory officer. And to Mr. James's right, Chris
23 Sandve, who is a senior regulatory manager for the
24 application.

25 I have no further issues to add at this
26 time. Thank you.

1 THE CHAIRPERSON: Thank you, Mr. Ghikas.

2 MR. MILER: Commercial Energy Consumers Association of
3 British Columbia.

4 MR. WEAVER: Good morning, Mr. Chairman, members of the
5 panel.

6 THE CHAIRPERSON: Good morning.

7 MR. WEAVER: My name is Chris Weaver, spelt
8 W-E-A-F-E-R, appearing for the Commercial Energy
9 Consumers Association of British Columbia. And I have
10 no issues to add to the agenda.

11 THE CHAIRPERSON: Thanks, Mr. Weaver.

12 MR. WEAVER: Thank you.

13 MR. MILER: BC Sustainable Energy Association.

14 MR. ANDREWS: William Andrews, A-N-D-R-E-W-S,
15 representing the BC Sustainable Energy Association.

16 THE CHAIRPERSON: Thank you, Mr. Andrews.

17 MR. MILLER: Association of Major Power Customers of
18 BC.

19 MR. KEEN: Good morning, Mr. Chairman, commissioners.

20 THE CHAIRPERSON: Good morning.

21 MR. KEEN: My name is Matthew Keen, spelled K-E-E-N,
22 appearing for the Association of Major Power Customers
23 of BC, which I refer AMPC. We have no issues to add
24 to the agenda and we're content to deal with all of
25 the items as they come.

26 THE CHAIRPERSON: Thank you, Mr. Keen.

1 MR. MILLER: Clean Energy Association of BC.

2 MR. WEIMER: James Weimer, W-E-I-M-E-R, representing the
3 Clean Energy Association of BC and today on behalf of
4 David Austin, our counsel, who is unfortunately -- had
5 a prior commitment. I have no other issues to add.

6 THE CHAIRPERSON: Thank you, Mr. Weimer.

7 MR. MILLER: BC Old Age Pensioners Organization et al.

8 MS. WORTH: Good morning, Mr. Chair, members of the
9 panel.

10 THE CHAIRPERSON: Good morning.

11 MS. WORTH: Leigha Worth, L-E-I-G-H-A W-O-R-T-H, here
12 with Irena Mis, my co-counsel, and that's M-I-S. We
13 are here representing BC Old Age Pensioners
14 Association et al. And I have no issues to identify
15 in addition to what's been put forward. Thank you.

16 THE CHAIRPERSON: Thank you, Ms. Worth.

17 MR. MILLER: FortisBC.

18 MR. HOOGE: Good morning, Mr. Chair. My name is
19 Nicholas Hooge, last name is spelled H-O-O-G-E. I'm
20 appearing as counsel for FortisBC Inc. and FortisBC
21 Energy Inc. Also attending the conference this
22 morning is Dave Perttula, senior manager rate design
23 of projects at FortisBC. We have no additional issues
24 to add to the agenda. Thank you.

25 THE CHAIRPERSON: Thank you, Mr. Hooge.

26 MR. MILER: Zone II ratepayers group.

1 MS. McLEAN: Good morning.

2 THE CHAIRPERSON: Good morning.

3 MS. McLEAN: My name is Jana McLean, M-C-L-E-A-N. And
4 with me is Linda Dong, D-O-N-G, who is a consultant.
5 We act for what is referred to as the Zone II
6 Ratepayer's Group, which consists of Kwadacha First
7 Nation and Tsay Keh Dene First Nation. I have nothing
8 to add to the agenda.

9 **Proceeding Time 9:11 a.m. T04**

10 THE CHAIRPERSON: Thank you, Ms. McLean.

11 MR. MILLER: Ms. Gjoshe?

12 MS. GJOSHE: Good morning, Mr. Chair, members of the
13 panel, my name is Edlira Gjoshe, last name G-J-O-S-H-
14 E, I am here representing myself, and I have no
15 further issues at this point.

16 THE CHAIRPERSON: Thank you, Ms. Gjoshe.

17 MR. MILLER: Mr. Chair, I believe the next two on the
18 list are on the phone. Mr. McCandless?

19 MR. McCANDLESS: Good morning, it is Richard
20 McCandless, M-C-C-A-N-D-L-E-S-S, and nothing to add to
21 the agenda, thank you.

22 THE CHAIRPERSON: Thank you, Mr. McCandless. Mr.
23 McCandless, can you hear everyone all right?

24 MR. McCANDLESS: Yes, very good, thank you.

25 THE CHAIRPERSON: Thank you.

26 MR. MILLER: Mr. Ince?

1 MR. INCE: Yes, this is David Ince, I-N-C-E, on the
2 phone. No more items to add to the agenda, although
3 the audio from the panel is a bit weak.

4 THE CHAIRPERSON: Okay, I will try to speak closer to
5 the mic. Thank you, Mr. Ince.

6 MR. INCE: Thank you.

7 MR. MILLER: Mr. Hackney, are you on the phone yet?
8 Mr. Hackney may be joining us I understand, Mr. Chair.
9 Is there anyone that I failed to call that
10 wishes to appear? That concludes the order of
11 appearances, Mr. Chair.

12 THE CHAIRPERSON: Thank you, Mr. Miller. Mr. Ghikas,
13 are you ready to go?

14 **SUBMISSIONS BY MR. GHIKAS:**

15 MR. GHIKAS: Thank you, Mr. Chairman. As you
16 referenced this morning, BC Hydro filed as Exhibit B-8
17 some written comments in advance. My intent this
18 morning was to highlight and elaborate on a few of the
19 issues --

20 THE CHAIRPERSON: Thank you.

21 MR. GHIKAS: -- in that submission. The first two on
22 the list relating to the Peace Region Electric Supply
23 Project, and the LNG Canada Interconnection project.
24 My intent wasn't to spend any time on those unless you
25 had specific questions that you wanted to put to me on
26 those two projects. In my submission the written

1 submissions set out are our position in that regard.

2 THE CHAIRPERSON: Fair enough. I don't have any
3 questions at this time, but perhaps you could go
4 ahead, and if the panel does have questions when
5 you're finished then we could --

6 MR. GHIKAS: Certainly.

7 THE CHAIRPERSON: Thank you.

8 MR. GHIKAS: The third matter dealing with intervenor
9 evidence obviously is more aimed at intervenors, so I
10 am going to move specifically to the fourth and fifth
11 issues at this time, Mr. Chairman.

12 THE CHAIRPERSON: Yes.

13 MR. GHIKAS: Fourth issue being an oral or written
14 process. And let me emphasize at the outset that BC
15 Hydro is open to an oral hearing on any issue that the
16 Commission considers it would be beneficial for
17 hearing more from BC Hydro. And that perspective is
18 informed by two points, the first of which is that BC
19 Hydro recognizes that it has been some time since
20 there has been an oral hearing. And the second point
21 is that BC Hydro recognizes that coming out of the
22 last proceeding there were some issues that the
23 Commission had either concerns or desired further
24 information about. And what BC Hydro aims to do in
25 this proceeding is to make sure that the Commission
26 has all of the information it needs in order to decide

1 get to identify topics such as operating costs
2 generically, capital costs generically, BC Hydro is
3 comprised of 39 key business units and each of which
4 would potentially have a different witness. BC Hydro
5 has hundreds of capital projects and programs of
6 varying sizes, and even the larger ones that are
7 identified in Appendix J and I, number in the dozens.
8 And again, there are different people potentially that
9 speak to different aspects of that capital plan.

10 So, what specifically about the operating
11 cost? What specific areas of the operating cost? Are
12 there particular issues or initiatives that BC Hydro
13 is undertaking that deserve additional attention?
14 What specific capital projects that potentially aren't
15 going to be subject to a CPCN but the Commission would
16 like to hear more from?

17 And that approach to identifying issues, in
18 my submission, Mr. Chairman, has the advantage of
19 producing a more effective and more efficient oral
20 hearing. And what it does is it allows BC Hydro to
21 put forward the right people and to ensure that those
22 people are equipped with the information they need to
23 anticipate the issues and to be able to speak
24 intelligently on particular matters of interest to the
25 Commission and interveners. Ultimately the Commission
26 gets better evidence, the cost is reduced, and the

1 areas of the organization that aren't directly
2 impacted by those areas can turn their minds to
3 getting back to focussing on the ongoing operation of
4 the business.

5 And of course, those people are at all
6 levels of the business. BC Hydro has put in
7 significant focus on engaging senior levels of
8 management and the executive closely in the operations
9 of this. And so there's -- that, of course, comes
10 with a significant investment on their part in terms
11 of time.

12 So there are benefits all around from
13 taking that perspective.

14 On page 7 of the Exhibit B-8 in terms of
15 scoping, I wanted to highlight two aspects. The first
16 one is that on page 7 BC Hydro outlined five reasons
17 why it expects that it will be possible for the
18 Commission to identify a number of topics that can be
19 scoped out of an oral hearing and resolved fairly and
20 efficiently through a written process. And I won't
21 go through all of those, but the upshot is -- one I
22 wanted to highlight is that we are today -- where we
23 sit today there is more evidence on a lot of these
24 topics than there was throughout the entire previous
25 proceeding.

26

Proceeding Time 9:19 a.m. T06

1 It's, of course, not just quantity of
2 evidence but quality of evidence. And in my
3 submission, a cursory examination of the application
4 and the IR responses reveal that BC Hydro has upped
5 its game again in terms of providing quality evidence
6 for the benefit of the Commission.

7 There are a number of other reasons set out
8 there. And the one that I would note is that the
9 Commission has made a practice of dealing with
10 significant matters in writing in proceedings.
11 Whether it's entirely in writing or through a
12 partially written, partially oral process. The
13 Commission has zeroed in in the past on specifics
14 matters, as I'm suggesting should be done in the
15 current case, in the event that there is an oral
16 phase.

17 The second aspect that I wanted to
18 emphasize on, in terms of scoping, was on page 9, BC
19 Hydro's provided a list of potential candidates for an
20 oral hearing. When BC Hydro looks at the issues,
21 these were the ones that BC Hydro thought might be
22 candidates given the level of interest and issues that
23 have be identified in the past.

24 And so the first of those issues, or
25 matters, would be just simply hearing from Mr.
26 O'Riley, BC Hydro's president and chief operating

1 officer on the company's general approach and
2 direction. To the extent that that is of interest to
3 the panel, Mr. O'Riley would indeed appear and speak
4 to the Commission directly on that.

5 The rest of the items on that list all have
6 in common a couple of things. They relate to areas
7 where the Commission had expressed some desire for
8 further understanding or it expressed some concern
9 coming out of the prior proceeding. And this touches
10 on what I alluded to previously as BC Hydro's strong
11 desires to make sure the Commission has what it needs
12 to make an inform decision on those issues. And BC
13 Hydro believes there are good stories -- good news
14 stories to tell in terms of those items.

15 There's also the area where the Commission
16 has directed further reporting, which is the PBR,
17 performance based regulation. And also where there
18 are a notable number of IRs in round one, to which we
19 sort of took as a general sense of areas of potential
20 interest from various parties. Now, obviously, with a
21 lot of those IRs comes a lot of answers, and so it
22 would be necessary in my submission for the Commission
23 to look at those responses and see whether the issue
24 has crystalized, whether the information is there or
25 whether they're indeed could be further benefit
26 associated with a witness appearing and discussing

1 some of those answers.

2 Now, why a second procedural conference to
3 address scoping? And really, while in my submission
4 it really could be said that the areas of interest are
5 already reasonably clear based on round one, the -- BC
6 Hydro had anticipated based on past experience that
7 some interveners may be reluctant at this point to
8 identify specific issues. And that was really behind
9 BC Hydro's raising the option of having a second
10 procedural conference.

11 And in essence what BC Hydro is trying to
12 guard against is defaulting to an approach where
13 because of an inability to specify with precision some
14 of these specific issues that could be addressed in an
15 oral phase, to guard against overly -- making an
16 overly broad scoping choice. Scoping in things that
17 really could, through further review and examination,
18 really have them scoped out of an oral phase.

19 **Proceeding Time 9:23 a.m. T07**

20 And that's really what the aim is in terms of putting
21 forward the option of deferring these decisions to a
22 second procedural conference.

23 Now, the exception would be, of course, is
24 if the Commission, having looked at the record the way
25 it is today is reasonably confident that certain areas
26 of the record would be scoped out of an oral phase.

1 If that is possible, there may be advantage to the
2 Commission identifying those in advance so that the
3 parties know when they're asking the round two IRs
4 that those areas are going to fall outside the oral
5 hearing, and in fact, you know, focus the discussion
6 of any second procedural conference should there be
7 one.

8 So after hearing from interveners on their
9 preferred process and scoping, we may have some
10 comments in reply, but I was going to park that issue
11 for now and move to the timetable. Unless you have
12 any questions on that.

13 THE CHAIRPERSON: Go ahead, please.

14 MR. GHIKAS: So the fifth item, steps and timetable
15 associated with the review process, BC Hydro has
16 proposed a timetable on page 11 of the written
17 comments. The timetable is presented both with and
18 without intervener evidence, and then on the following
19 page there's also a version in the event the process
20 is entirely written.

21 And what I wanted to highlight were a
22 couple of points, the considerations that are
23 discussed after that as presented in the comments, the
24 written comments. I wanted to just touch on those
25 three considerations we talked about.

26 The first is the timing of the evidentiary

1 update. This is the issue -- ties into the issue
2 that, Mr. Chairman, you asked the parties to speak to,
3 which is the release that the alternative date in the
4 event that the August date doesn't work.

5 What BC Hydro -- first of all, to deal
6 specifically with your question, the public accounts,
7 by law, have to be released by the end of August. So
8 in terms of the solid date, to be absolutely certain,
9 that would be it.

10 Now, BC Hydro submits that there is, you
11 know, a good reason to not wait until then. And it is
12 this: In essence, the evidentiary update, although BC
13 Hydro believes it's important to file one, will have a
14 narrow focus. And it's important, in my submission,
15 that the Commission and everybody understands that,
16 that it will be narrow in both size and narrow in
17 scope. It won't involve refileing and updating the
18 entire application, which would be completely
19 unworkable if we were ever to finish this process.
20 Rather it will be focussed on two things. It will be
21 updating the amortization of the regulatory accounts
22 based on fiscal 2019 actuals, and it will be updating
23 the cost of energy forecast.

24 And in terms of what that looks like in a
25 practical sense, the physical size of the filing will
26 reflect its relatively narrow scope. So what you will

1 see is appendix A to the application, which is the
2 financial schedules, they will be updated. And then
3 you will have a discussion of a limited number of the
4 more significant developments that are reflected in
5 those schedules or that require some further
6 explanation and discussion.

7 THE CHAIRPERSON: Excuse me, Mr. Ghikas.

8 MR. GHIKAS: Yes.

9 THE CHAIRPERSON: So I see the update for the
10 amortization of the regulatory accounts is pending the
11 2019 actuals. That's the same case for the cost of
12 energy then? That's also reliant on the 2019 actuals?
13 Is that why we have to wait for the public accounts?

14 MR. GHIKAS: No, the cost of energy one, there is an
15 actuals component to it, but it's actually forecasting
16 for the -- it's an updated forecast for the test year.

17 **Proceeding Time 9:28 a.m. T08**

18 THE CHAIRPERSON: So that one is not linked to the
19 public account state then? Is that correct?

20 MR. GHIKAS: Looking at my colleagues, that is correct.

21 THE CHAIRPERSON: So, is Hydro ready to proceed with
22 that part of the update independently then? If we did
23 have to wait in a worst-case scenario to August 31st,
24 would we have to also -- we would have to wait for
25 that for the regulatory account portion, would we also
26 have to wait for that for the cost of energy portion?

1 MR. GHIKAS: So Mr. Chairman, the challenge with
2 separating those two things, is that if you're going
3 to update the entire financial schedules, they both
4 have an effect, and they both produce an output. So I
5 think that BC Hydro's submission is that you would
6 want to have those together.

7 THE CHAIRPERSON: Thank you.

8 MR. GHIKAS: So in terms of -- and people may be
9 curious in terms of what the result of that will be in
10 concrete terms, and the short answer is that the
11 analysis isn't finalized yet and that it can't release
12 that calculations until that time. So we can't
13 provide any further information at that time. But for
14 our purposes today, what the important point is, is
15 that the timetable that we've put forward accounts for
16 that and provides an opportunity for people to ask
17 questions on it.

18 COMMISSIONER FUNG: So, before you move on, Mr. Ghikas,
19 why is the evidentiary update only limited to those
20 two elements of the application? Can you explain that
21 to me?

22 MR. GHIKAS: So, the typical practice with an
23 evidentiary update is to update for actuals, and then
24 update for significant developments. Obviously as
25 soon as you do a financial forecast, it is immediately
26 out of date as soon as you do it. So, there is a

1 certain amount of practicality that goes with any of
2 these evidentiary updates, where you could in theory
3 just be refileing the entire application or significant
4 parts of it, time in and time again. And the reality
5 is that from a regulatory efficiency and practicality
6 perspective, it's impossible to resolve a process if
7 you are continually chasing the data.

8 So the practice, and a good practice in my
9 submission, is to use the data as effective at a
10 particular time, and then if there is something that
11 is really material that should be brought to the
12 attention of the Commission, to focus on those things.
13 And so BC Hydro is doing the analysis to determine
14 whether there are things that need to be included in
15 that, and we'll be taking that approach with the
16 evidentiary update.

17 COMMISSIONER FUNG: So, are you using a materiality
18 threshold in that determination?

19 MR. GHIKAS: Not a specific materiality threshold,
20 Commissioner Fung. Really what BC Hydro is going to
21 be approaching it as, is, you know, looking at it from
22 the perspective, which I think there was encouragement
23 in the SAP inquiry for example, to be looking at
24 things from the perspective of, is this something that
25 the Commission would want to know? Would this make a
26 difference in their determination? And BC Hydro is

1 going to be taking the approach of looking at that
2 from a sort of purposive approach from that
3 perspective rather than making some rigid
4 determination on materiality. And the approach is to
5 make sure that the Commission has what it needs to
6 have, and that's the approach they've taken with the
7 application and the IRs, and will continue to take
8 with the evidentiary update.

9 But there is a point at which there is a *de*
10 *minimis* at point at which do we need the information?
11 Or is it appropriate -- obviously everything is
12 changing as time goes on. Is this really something
13 where we should just draw a line and move forward from
14 there, you know, and people would understand
15 objectively why that decision was made.

16 **Proceeding Time 9:32 a.m. T09**

17 COMMISSIONER FUNG: Okay, thank you.

18 MR. McCANDLESS: It's Richard McCandless on the phone.

19 THE CHAIRPERSON: Mr. McCandless, you will have an
20 opportunity to respond to Mr. Ghikas.

21 MR. McCANDLESS: Just asking a question.

22 THE CHAIRPERSON: Mr. Ghikas, do you have any -- go
23 ahead, please.

24 MR. McCANDLESS: This has to do with the evidentiary
25 update. On page 13 of your June 19th it says, "The
26 update will include an updated form of order and

1 requested rates." Am I reading that to say that you
2 may be requesting a change in the requested rates?

3 MR. GHIKAS: If that's what the evidentiary update -- if
4 the output of the evidentiary update is that it
5 results in a different number, then that would be the
6 number that BC Hydro would be putting forward.

7 MR. McCANDLESS: Okay, thank you for that. I was just
8 wondering, since you have all these regulatory counsel
9 to look after variances, why you'd be requesting a
10 change in the rate request.

11 MR. GHIKAS: So Mr. Chairman, I mean I won't dwell on
12 this specifically, but obviously there are regulatory
13 accounts and the like, and it's not necessarily the
14 case that there is going to be, from changes in costs,
15 a change to the actual revenue requirements present,
16 you know, with the current year cost given the
17 existence of those accounts. So that will be
18 something that will be explained if need be in the
19 evidentiary update.

20 THE CHAIRPERSON: Yes, and I would add, Mr. McCandless,
21 that that could be dealt with at a later date if, as
22 and when that request comes forward. The panel would
23 certainly be taking a close look at that and you'd
24 have an opportunity --

25 MR. McCANDLESS: Thank you.

26 THE CHAIRPERSON: Okay, thanks.

1 MR. GHIKAS: So the second consideration that I just
2 wanted to touch on was one aspect of the evidentiary
3 update which relates to the details on an updated
4 energy study results. The details on that are going
5 to need to stay confidential for a temporary period of
6 time. And this is -- the reasons are consistent with
7 what was done last winter with respect to the winter
8 energy purchases which has just been released
9 publicly.

10 But the real issue here is that given the
11 magnitude of potential harm to BC Hydro and to
12 customers in the event of inadvertent premature
13 disclosure, this information really should be
14 restricted to the Commission alone at the outset. And
15 that is -- and to give a sense, it is articulated in
16 the written submission, but just to make sure that
17 we're clear is that the premature release of that
18 information would essentially telegraph to the market
19 BC Hydro plans for sales and purchases in the upcoming
20 winter before BC Hydro can act on them. And in my
21 submission, given the significance of the ramifications
22 of that, in my submission it is very important to
23 restrict circulation of that information as much as
24 possible. Because as we know, inadvertent disclosure
25 does occur, and the way to prevent that from occurring
26 is to limit the circulation to as few people as

1 possible at the outset.

2 Now, the point from our purposes is that BC
3 Hydro has tried to design a process so that even
4 though that one aspect of the evidentiary update has
5 to remain temporarily confidential, that we've taken
6 advantage of the later time steps to -- procedural
7 timeline steps to provide an additional opportunity
8 for interveners to be able to comment on that aspect
9 of things.

10 So the Commission would have the ability to
11 ask questions while it was confidential. Then when it
12 became public the interveners would have the ability
13 to ask questions on that. And so in my submission it
14 really is a win-win perspective from customers and BC
15 Hydro and interveners alike.

16 **Proceeding Time 9:37 a.m. T10**

17 And it is worth emphasizing, this process
18 is a little bit unorthodox in the sense that what is
19 happening in the timeline is that this discrete
20 portion of it is being address in parallel with
21 intervener evidence and IRs on intervener evidence and
22 so on. And in my submission, because of the
23 narrowness of this issue and because it really is an
24 additional opportunity for interveners to speak on a
25 matter that may not necessarily even be required to
26 begin with, this is something that, in my submission,

1 is a creative use of the timeline to try to add in
2 that ability to see every aspect of the evidence in
3 that regard. And so it's worth, in my submission,
4 trying to be a little creative in that regard to try
5 to minimize the length of the proceeding overall.

6 The third consideration is bringing the
7 proceeding to a close in a reasonable period of time.
8 I wanted to emphasize that of course BC Hydro
9 recognizes that navigating the regulatory process is a
10 key aspect, a fundamental aspect of the business of
11 being a regulated utility. That's not the issue.

12 I think the reality is that as -- from a
13 practical matter it does -- a revenue requirements
14 proceeding does involve inherently a very significant
15 institutional commitment. And that's particularly
16 true when BC Hydro is putting such an emphasis on
17 providing a transparent look as the business, quality
18 -- high quality evidence and, indeed as I mentioned
19 earlier, trying to engage the executive in that
20 process, taking the benefit of their guidance in a
21 very detailed way in running the application. And so,
22 really resolving the proceeding in a reasonable period
23 of time while still proving people an opportunity to
24 participate in the process meaningfully is in the best
25 interests of the company and the customers who depend
26 on the executive to be managing the company.

1 The second aspect of things is, of course,
2 while the proceeding is undergoing we're on interim
3 rates. And while that solves a lot of problems, one
4 of the issues that it does create is it -- the longer
5 you sit on interim rates throughout the test period
6 the more challenging it is from a budgeting
7 perspective, because you have that additional
8 uncertainty. And, in my submission, closing the
9 evidentiary record before Christmas time, which is
10 what the timetable contemplates, does increase the
11 odds of getting a decision before the test period is
12 more than half over and, in my submission, that's a
13 good thing from everybody's perspective.

14 I did want to flag one final thing before I
15 sit down, Mr. Chairman, and that is that in the
16 version of the timetable on page 12 that's all in
17 writing, we inadvertently omitted reference to a round
18 of IRs on rebuttal evidence if they were required.
19 And so I was just going to throw out some dates to you
20 and to the room here as to what it would look like in
21 the event that that was required.

22 So the IRs -- sorry. The rebuttal evidence
23 would still be on November 29th. The IRs on rebuttal
24 evidence, if necessary, the proposal is December 5th.
25 The responses to those IRs would be December 12th.

26

Proceeding Time 9:41 a.m. T11

1 And then the final argument of BC Hydro would shift
2 back, instead of being on December 20th, would now be
3 January 17th, and intervenor final argument would be
4 February 7th instead of January 30th. And BC Hydro's
5 reply argument would be February 28th, instead of
6 February 27th. So you will see that just because of
7 the way the Christmas holiday falls, it actually
8 doesn't extend the process out that much, it just
9 involves some shifting within that time period.

10 So, unless there are any questions from the
11 Commission at this point, I will sit down and deal
12 with anything else in reply..

13 COMMISSIONER FUNG: I have one question, Mr. Ghikas,
14 and that's relating to your confidentiality request,
15 or temporary confidentiality request relating to the
16 cost of energy forecast, which you indicated you would
17 like to be confidential to the BCUC only. I assume,
18 but I would like you to confirm this, that to the
19 extent that the BCUC is using consultants to assess
20 costs of energy updates, that you would have no
21 objection to us disclosing that to them?

22 MR. GHIKAS: Yes, that's correct. And obviously the
23 consultants typically operate under confidentiality
24 obligations too, and to the extent the Commission
25 needs to rely on them, that is something that BC Hydro
26 is going to have to accept.

1 COMMISSIONER FUNG: Thank you.

2 THE CHAIRPERSON: Thank you, Mr. Ghikas.

3 MR. GHIKAS: Thank you Mr. Chairman, Commissioners.

4 THE CHAIRPERSON: Mr. Weafer.

5 **SUBMISSIONS BY MR. WEAFER:**

6 MR. WEAFER: Thank you, Mr. Chairman, Commissioners.

7 Chris Weafer, Commercial Energy Consumers.

8 Just dealing firstly with collectively
9 issues 1 and 2, and these are preliminary submissions
10 as indicated by the panel, preliminary comments. Both
11 are similar in that they are very expensive projects,
12 a lot of investment, a lot of ratepayer money would go
13 into those projects, so we commend the Commission for
14 raising the issues in this proceeding, because
15 fundamentally we would want to be clear that we've got
16 it right that they will be exempt from the regulation
17 of the Commission. And our submission at this time is
18 that the record would be improved by more evidence of
19 the -- particularly with the number 1, that the
20 project is primarily to provide electricity to a
21 producer and natural gas processing plant, just
22 paraphrasing the legislative requirement. We
23 understand the evidence also refers to reliable supply
24 to existing and future customers in the region. And
25 so what is the primary objective of the project, and
26 have the evidence be clear that that is the primary

1 objective. There are multiple purposes to the project
2 as we see it, and again, that the evidence be
3 persuasive that the primary purpose as is required by
4 the regulations.

5 The second criteria set out in the
6 legislative scheme is the requirement that it be
7 reasonable that BC Hydro expect it to be in service by
8 December 31st, 2022. And again that the evidence on
9 the record be persuasive that is the case. We would
10 make final submissions based on the record when we see
11 better evidence on those two topics.

12 THE CHAIRPERSON: Thank you.

13 MR. WEAVER: With respect to item 2, and similar issue,
14 we are probably more persuaded on item 2 at this
15 point, that the objective there in terms of the
16 regulatory requirement under the transmission of the
17 exemption regulation is that it is needed for
18 construction of the LNG facility. That evidence seems
19 to be there, but again, if the Commission is raising
20 these two issues for this procedural conference, let's
21 be clear that we've got sufficient evidence that the
22 panel is convinced that these are exempt because we
23 need to get this right.

24 **Proceeding Time 9:45 a.m. T12**

25 There are significant expenditures that would
26 otherwise not be reviewed by the Commission. So

1 again, we appreciate that the issues have been raised
2 and we certainly can pursue in round 2 IRs to try and
3 get more evidence to satisfy CEC and more importantly
4 the panel when we file submissions.

5 Moving to item three, it is not the CEC's
6 intention to provide evidence in this proceeding. We
7 are satisfied with the IR process in terms of
8 developing the evidence that we need, and/or the oral
9 portion, which I'll move to now. But the CEC is not
10 intending to file evidence.

11 With respect to item 4, we commend Hydro
12 for Exhibit B-8 on the written submissions prior to
13 the proceeding. We also agree with their submissions
14 with respect to why an oral hearing component may make
15 sense for this proceeding, given some of the history
16 around the last oral hearing with BC Hydro. More
17 importantly, given the shift of more responsibility to
18 the Commission in terms of regulating BC Hydro, an
19 oral hearing is probably your strongest tool in terms
20 of an assessment of an application by BC Hydro, so we
21 think there's some merit to the Commission panel
22 considering the value of an oral hearing for that
23 purpose.

24 And simply the credibility test, that the
25 oral hearing does add a credibility component in terms
26 of testimony of witnesses before the eyes of the

1 panel, not that we're alleging any credibility issues
2 with BC Hydro, but it is part of the benefit of an
3 oral proceeding. So with all that said, we're not the
4 ones asking for an oral hearing. CEC is not pushing
5 for it, but we see the value as identified by Hydro
6 and we understand, obviously, they'd be more
7 supportive of it.

8 We do see some of the topics -- in fact
9 most of the topics BC Hydro identifies in Exhibit B-8,
10 pages 10 and 11, where they identify their five
11 topics. We do see those as appropriate general that
12 would be within the scope of a hearing. And again,
13 just if I've not been clear, we believe if there's an
14 oral hearing that it should be scoped. Much of the
15 process can be dealt with by written argument, but
16 there is a discrete number of areas that can properly
17 scope. We agree that that scoping would best occur
18 after the second round of IRs. We support the concept
19 of a second procedural conference to scope the oral
20 hearing. We are still going through the thousands of
21 pages of first IR responses. Certainly the time of a
22 second round IRs, focusing the issues through the
23 second round of IRs, determining what may be best
24 carried over to an oral hearing, we support that
25 schedule as before by BC Hydro.

26 We would also suggest that it may be

1 I will -- I'll supplement BC Hydro's list with some
2 topics that we think may lend themselves to the oral
3 hearing proceeding.

4 And one of the issues that we've got to --
5 we've just had a significant government review of BC
6 Hydro. A topic for the oral hearing may be all
7 parties in the room getting a better understanding of
8 what BC Hydro's -- the outputs of that review, what
9 will they see going forward in terms of the
10 government's role, in terms of what's been delegated
11 to the Commission to deal with and where the
12 government may stay involved. Now that may a policy
13 panel type discussion for Mr. O'Riley. Just to get
14 clarity for all parties as to what is the new dynamic.

15 Expectations, a second topic. Bit of a
16 moving target right now, but LNG and electric
17 vehicles, what are -- these are evolving topics with
18 Hydro in investment. That may be something more --
19 best pursued in an oral process to have the dialogue
20 around the topic. And as opposed to the general IR
21 responses, to be able to pursue those with a little
22 more clarity and definitiveness.

23 Another topic potentially suitable for the
24 oral hearing is the -- the Commission now having
25 jurisdiction on the integrated resource plan. The
26 integration and the reaction between the RRA process

1 and the integrated resource plan, how that is
2 affecting what is going to the RRA, versus what is
3 being dealt with in the IRP and associated costs
4 flowing from the IRP, which is yet to be reviewed.

5 Lastly, in terms of -- and this may evolve
6 through the IR process, but a topic for the oral
7 hearing, the adequacy of the service plan and its
8 targets. Something a bit more difficult to pursue in
9 written IRs and the ability to cross-examine in terms
10 of what's in service plan areas and the
11 appropriateness of targets may be something that lends
12 itself more to a cross-examination process in an oral
13 hearing as opposed to written questions.

14 These are topics which -- and BC Hydro's
15 topics were a little more general in terms of their
16 proposal. Some of these fit within the general policy
17 panel, for example, is another so -- and again we'll
18 reserve the right to modify the -- to take away or add
19 that list in terms of the second procedural
20 conference.

21 In terms of the schedule, we have one
22 timing issue. The primary CEC consultant working on
23 this file is away August 19th to September 14th. That's
24 compounded by the fact that she is also active on the
25 -- very active on the capital review project, where
26 the CEC has been quite immersed in writing arguments.

1 **SUBMISSIONS BY MR. ANDREWS:**

2 MR. ANDREWS: Thank you, Mr. Chairman, members of the
3 panel. I will go through the items in order.

4 Item 1 to do with the Peace Region Electric
5 Supply Project. BCSEA's preliminary position at this
6 point is that subject to any counter-arguments that
7 may be presented that we haven't heard yet, it appears
8 that the PRES project does meet the legal criteria for
9 a prescribed undertaking under section 4(2) of the
10 GGRR and section 18 of the *Clean Energy Act*.

11 Regarding the MIN to LNG Canada
12 Interconnection Project, subject to hearing any
13 counter-argument that may be presented, it appears to
14 BCSEA that the MIN to LNG Canada Interconnection
15 Project meets the requirements of the *Transmission*
16 *Upgrade Exemption Regulation* in terms of exemption
17 from Part 3 of the *Utilities Commission Act*.

18 Number 3, BCSEA does not intend to file
19 evidence.

20 Number 4, BCSEA supports Hydro's suggestion
21 that there be comprehensive final arguments preceded
22 by the possibility of an oral hearing that would
23 address specific topics. BCSEA supports the concept
24 that the topics for an oral hearing would be addressed
25 at a procedural conference after BC Hydro files its
26 responses to the second round of information requests.

1 And I won't comment at this stage on the
2 topics that could be suitable for an oral hearing. I
3 will only say that certainly that the idea of scoping
4 the topics specifically will add to the efficiency and
5 effectiveness of that procedure.

6 In terms of question 5 and the steps and
7 timetable, to be clear, BCSEA's view is that there
8 should be an opportunity for follow-up IRs regarding
9 the Hydro responses to IR 1, and opportunities to make
10 information requests regarding the evidentiary update
11 and the cost of energy studies. And I assume and
12 understand that in that body of new evidence, there
13 will be a new 20 year load forecast, and those two
14 should -- all of that package should be the subject of
15 information requests. We have no objection in
16 principle to the timetable that Hydro set out, and we
17 appreciate the effort that went into producing that
18 document.

19 I have no other matters to raise at this
20 time under heading 6, and subject to any questions,
21 those are my submissions.

22 THE CHAIRPERSON: Thank you, Mr. Andrews. I assume
23 though then by your comments about the timetable, that
24 you don't have any blackout dates or significant dates
25 that you wouldn't be able to meet in any of these
26 timetables?

1 MR. ANDREWS: I may have some difficulties in January
2 of 2020, but my sense is that the dates are subject to
3 enough flexibility between now and then that it would
4 be better to deal with those in the event that they do
5 arise.

6 **Proceeding Time 9:59 a.m. T15**

7 THE CHAIRPERSON: Thank you.

8 MR. ANDREWS: Thank you.

9 THE CHAIRPERSON: Thank you, sir. Mr. Keen.

10 **SUBMISSIONS BY MR. KEEN:**

11 MR. KEEN: Good morning again, Commissioners, and Mr.
12 Chairman.

13 THE CHAIRPERSON: Good morning, Mr. Keen.

14 MR. KEEN: I have to pass up a bit of an outline. I
15 don't propose to mark this, but it may be easier to
16 help folks follow along.

17 THE CHAIRPERSON: Very well, thank you.

18 THE HEARING OFFICER: Marked C11-4.

19 THE CHAIRPERSON: So I'll mark this as C11-4 then, thank
20 you.

21 MR. KEEN: Sure.

22 (OUTLINE SUBMITTED BY AMPC MARKED EXHIBIT C11-4)

23 MR. KEEN: So as I expect you are aware, Commission,
24 AMPC has been an active participant in BC Hydro
25 proceedings since BC Hydro was first regulated in the
26 early 1980s. And I want to provide a little bit of

1 context and I expect you're aware of this.

2 It formed, through the cooperation of the
3 Council of Forest Industries and the Mining
4 Association of B.C. It operated under the name of the
5 Joint Industry Electricity Steering Committee, JIESC,
6 until 2011. And I want to say that to frame back that
7 while AMPC is an intervener, it's members are
8 customers and the decisions that this Commission makes
9 about BC Hydro rates impact them and impact their
10 bottom lines. They are directly affected and they
11 need a clear opportunity to participate in the
12 process.

13 So that said, I've organized my remarks to
14 respond to each issue in term.

15 THE CHAIRPERSON: Thank you.

16 MR. KEEN: Concerning items 1 and 2, the powerline
17 exemptions, AMPC has no comments at this time one way
18 or the other.

19 Turning to item 3, AMPC will be filing
20 intervener evidence, including expert evidence on
21 behalf of Intergroup Consultants. The final scope and
22 content of the evidence will of course be something
23 determined after all of these IRs responses have been
24 adjusted. We're only a few thousand pages in at this
25 stage and hopefully there's a second round of IRs that
26 will help us refine and focus our thinking.

1 But at this time we can say that we expect
2 its evidence will include the following. First,
3 generally, evidence dealing with the competitiveness
4 of BC Hydro's industrial rates. That ought to come as
5 no surprise to our friends. We were in regular
6 discussions with them about that across these sorts of
7 proceedings.

8 We expect that to include an assessment of
9 the declining competitiveness of BC Hydro rates across
10 the past 15 years. Current challenges faced by member
11 industries and the need for, and delay in, developing
12 relevant and innovative rate options for industrial
13 customers.

14 And then on the side of expert evidence, we
15 expect that area to include a comparison of BC Hydro's
16 practices with other provinces in key areas, a
17 regulatory account analysis. It will include the
18 application of BC Hydro's accounting methodology to
19 the status quo, a comparison with approaches taken by
20 other Canadian Crown-owned electricity utilities, and
21 impacts from net analysis on things like the rates
22 moving regulatory account, and in particular the
23 deferral account rate rider, the DARR.

24 And third, we expect to address specific
25 items that are forecast costs, and so that will extend
26 to the cost of energy, finance charges, as well as

1 potentially some operating cost and capital cost
2 issues.

3 So the corollary to that is that we would
4 support an oral hearing, and in fact request an oral
5 hearing, and we do so generally. AMPC disagrees, and
6 this is consistent with the remarks at the last
7 revenue requirement application where everybody said
8 the same thing. We disagreed with the premise that
9 specific items need to be highlighted early on to be
10 within the appropriate scope of an oral hearing.

11 The revenue requirement process is central
12 and fundamental to the Commission's oversight of BC
13 Hydro, and the Commission should generally expect BC
14 Hydro to support such filings by participation in an
15 oral hearing. It's a standard and accepted practice
16 across North America for regulated utilities to make
17 witnesses available to speak to the nature of their
18 business in the evidence they have prepared.

19 **Proceeding Time 10:03 a.m. T16**

20 That expectation is, or should be well within BC
21 Hydro's capabilities too. Conversely, it's an unusual
22 practice to have to justify an oral hearing for a
23 major utility application. Essentially if not now,
24 then when?

25 Now, I recognize that BC Hydro has made
26 some submissions to the contrary in the footnotes on

1 page 8 of its recent filing, and we think that if you
2 drill down into the details of those exemptions, we
3 suggest that you wind up comparing apples to oranges.
4 Specifically if you look at the details of what
5 intervenors say in those proceedings at that time.

6 Now, that is not to say that we have any
7 opposition to scoping the oral hearing to relevant
8 matters. The issue is when do you scope, and how do
9 you scope, and in this sense, we agree with BC Hydro,
10 I agree with my friend Mr. Ghikas, that doing so at or
11 during a second procedural conference is appropriate,
12 and that also occurs in the normal course at any of
13 the other North American utility proceedings that I've
14 alluded to. It's a question of looking at where has
15 there been a clash of evidence? Where is there a
16 clash of issues? Where do parties intend to cross-
17 examine? Where would it be redundant to sit as my
18 friend expressed concern about, a host of witnesses?
19 And so that scoping process can happen, but it's
20 important not to do so too soon. And it's important
21 that you don't do so too soon so the parties have a
22 chance to draft evidence appropriately, plan their
23 cross-examination appropriately, and do so
24 efficiently. If that happens prematurely, you lose
25 efficiency, you lose participation and you lose the
26 benefit of this Commission and the regulatory process.

1 THE CHAIRPERSON: Mr. Keen? Excuse me. So given what
2 you've just said, I understand you are satisfied with
3 the October 10th date for a procedural conference. But
4 that still leaves additional information coming in, as
5 it were, on IRs on the cost of energy update and the
6 load forecast, in addition to intervenor evidence IRs.

7 So, it would seem to be consistent with
8 what you just said that the procedural conference on
9 scoping of the oral hearing should be when all of the
10 evidence is in, which would include those last few
11 IRs. Would you agree with that?

12 MR. KEEN: I would suggest -- and you are getting ahead
13 of me.

14 THE CHAIRPERSON: Sorry, go ahead, please.

15 MR. KEEN: Not at all. I would suggest October 25th as
16 a deadline for intervenor evidence as opposed to
17 October 18th.

18 THE CHAIRPERSON: Okay, perhaps I should wait until you
19 get to that part of your --

20 MR. KEEN: Not at all. I was going to talk about the
21 benefit of oral cross-examination. Essentially that
22 it's not a surrogate for the IR process. It depends
23 on the IR process, it is more precise. Testimony from
24 a witness is more valuable than something that is
25 crafted by counsel.

26 THE CHAIRPERSON: Right, okay.

1 MR. KEEN: And it helps us get to the issues better, it
2 helps us do so collective in real time, and in that
3 sense, for a proceeding of this magnitude, it is more
4 efficient and more effective.

5 So, I am going to move to the point we
6 talked about in terms of October 25th versus October
7 18th. What is proposed right now is a procedural
8 conference on October 10th, and the intervenor evidence
9 coming on October 18th. Our concern would be that the
10 scoping decision emerging after October 10th does not
11 leave much time to expand and retract the scope of
12 intervenor evidence in relation to cross-examination.
13 That said, we will obviously have something in the
14 works, I have a good sense of what we are going to
15 say. And so adding an extra week to October 18th,
16 going to the 25th, reconciles that tension that you've
17 alluded to.

18 But to give you a sense as to the things we
19 probably would address in an oral hearing, based on
20 our thinking at this stage, regulatory account
21 treatments and practices, the load forecast including
22 the pending 20-year load forecast, DSM spending,
23 particularly capacity focused DSM, cost of energy, and
24 particularly the pending updated cost of energy
25 following the June Energy Study. And then discrete
26 operating costs and capital product issues that again,

1 as we hear from my friend Mr. Ghikas, may have some
2 updates at that stage.

3 So, as you've gathered, we largely have no
4 structural concerns with the intervenor evidence
5 schedule that BC Hydro has proposed. We agree there
6 ought to be a second procedural conference. We agree
7 with the second round of IRs. We agree with the
8 concept of an issues list. But we say that October
9 18th is too soon for intervenor evidence, and maybe one
10 adjustment is appropriate.

11 The problem with that, and I would add as
12 well, if you are filing intervenor evidence and
13 receiving the cost of energy update at the same time,
14 it's difficult to be responsive.

15 **Proceeding Time 10:09 a.m. T17**

16 And likewise, when you cascade down to the
17 timing of the second IR responses, you have intervenor
18 IR responses are due on the same day that intervenors
19 received IR responses to the cost of energy update.
20 Again, you're not enabling that direct response in
21 terms of intervenor evidence to the applicant's
22 evidence. Those dates ought to be sequential and not
23 parallel.

24 So as we see it, there's three potential
25 solutions. You can issue the cost of the energy
26 update sooner. You can start the hearing later. Or

1 you can shorten the period for both interveners and BC
2 Hydro to file IR responses. We don't think that
3 they're this tenable.

4 The upshot is that BC Hydro has,
5 inadvertently or otherwise, manufacturing a squeeze.
6 The combination of the time of its updates and
7 suggesting a calendar year conclusion to hearing. In
8 our submission, procedural fairness should not be
9 compromised by what I think is an artificial sense of
10 urgency. If you dig into the reasons that BC Hydro
11 provides for a calendar year timeline on page 17 of
12 its submission, they amount to wanting a timely
13 delivery process from the perspective of resourcing
14 and rate prospectivity.

15 And we get that. AMC wants a timely and
16 efficient process as well, including targeting an oral
17 hearing in either December or January. But getting a
18 decision from the Commission, and I quote, "before the
19 test period is half over" as opposed to saying before
20 the test period is two-thirds over, is not worth the
21 harm to the overall process that that squeeze would
22 create.

23 And so a potential solution that might
24 square the circle in some sense is to provide the cost
25 of energy update earlier to those interveners who
26 submit confidentiality undertakings. In other words,

1 to follow the BCUC's rules as written. And this is
2 AMPC's next concern with the applicant's submission.
3 That intervener confidentiality undertakings are real
4 and ought to be respected.

5 BC Hydro has asserted, without real
6 explanation, that the updated forecast is too
7 sensitive to be protected by the process proscribed
8 under the Commission's rules. And as justification
9 its citing its recent filing of forward electricity
10 purchases. Something that was only recently disclosed
11 to BC Hydro customers. That's something that we have
12 real concerns with in and of itself and it ought not
13 to be a precedent, particularly where it's something
14 that customers haven't had any input into. So we
15 reject relying on that practice again. We reject
16 avoiding the BCUC's well established confidentiality
17 procedures, which are already more stringent than
18 those adopted by comparable regulators, in either the
19 Alberta Utilities Commission or National Energy Board.
20 It's too fast too soon.

21 And we don't really have any evidence of
22 that. We have the assertion, we understand the
23 perspective harm, but that chain between concern and
24 impact has not been laid out of the applicant. Absent
25 that evidence, absent that explanation, you ought not
26 be giving effect to the proposed solution.

1 And BC Hydro has also avoided any
2 intermediate steps that might also suffice. Providing
3 hard copies only, for example, is one easy solution.
4 Or in the case of the National Energy Board when I
5 dealt with particularly sophisticated and sensitive
6 refinery economics a few years ago, there was a chain
7 of decisions dealing with the Chevron, now Parklander,
8 filing. In that case access was restricted to counsel
9 and consultants only, password protected USBs. That
10 worked out fine. That's a step that possibly would be
11 available here if you had that justification in front
12 of you. We haven't heard anything like that from BC
13 Hydro.

14 So third, moving back away from the
15 schedule, we do support an issues list in establishing
16 the overall hearing and scope, after the second round
17 of IRs, after the procedural conference. To be clear,
18 though, in our view, a detailed -- an excessively
19 detailed issues list is not something that's required.
20 A general one is standard, a general one is helpful,
21 it focuses parties. But something that's prescriptive
22 and unduly used to move things out of scope that might
23 legitimately be within scope as different moving parts
24 crystalize and help parties understand the nature of
25 the application, that inhibits the value of the
26 process and we would not support an excessively

1 detailed issues list.

2 Turning to other matters, we essentially
3 have none. The only issue is the prospect of the
4 evidentiary update coming after August 8th,
5 significantly towards August 30th, and I think my
6 earlier remarks let you know where we stand on those.

7 So, subject to your questions, those are my
8 submissions.

9 THE CHAIRPERSON: Thank you Mr. Keen.

10 Mr. Weimer? Yes, please.

11 **Proceeding Time 10:14 a.m. T18**

12 **SUBMISSION BY MR. WEIMER:**

13 MR. WEIMER: Thank you, Commissioners. James Weimer,
14 Clean Energy Association of BC.

15 With regard to the first two items on your
16 matters for discussion, Mr. Austin has given me his
17 preliminary submission. And that he agrees basically
18 with BC Hydro's view as expressed in Exhibit B-8, that
19 the PRES does qualify as a prescribed undertaking. He
20 says additional research may be required, but he wants
21 to emphasize that while the project might not require
22 a CPCN from the Commission, it should still remain
23 consistent with all the requirements of BC Hydro's
24 tariff.

25 Much the same comments apply to the second
26 point, the MIN to LNG Canada Interconnection Project.

1 It appears to qualify as an exempt project, but again
2 it should remain consistent with any requirements of
3 BC Hydro's tariff.

4 And those are preliminary submissions.
5 Additional research might be necessary, especially
6 with regard to the tariff.

7 Does CEABC intend to file evidence? We
8 wish to retain the right and ability to file evidence,
9 but we believe the decision to file it should be
10 deferred until after the filing of the evidentiary
11 update, the responses to round 2 information requests,
12 the filing of the updated 20-year load forecast, and
13 in fact the public release of the cost of energy
14 update.

15 So it's a little premature at this point to
16 say whether or not we definitely would, but we believe
17 that some limited information requests should also be
18 provided for in order to test and clarify the 20 year
19 load forecast and the cost of energy update. So the
20 timeline, I think as was pointed out by the previous
21 speaker, needs to be sequential allowing for those
22 events to occur. Only when all the pieces of
23 information are tabled, will it be possible to assess
24 what evidence CEABC can contribute to advance the
25 process.

26 As far as the fourth point, whether the

1 process should be written, oral, or a combination of
2 both, I think the general consensus seems to be that a
3 combination of both works well. We agree with BC
4 Hydro that some form of oral process will be required
5 in addition to the written process. The exact scope
6 of the oral process will depend on all the things I've
7 listed previously, all the responses to the second
8 round of IRs, the evidentiary updates and the
9 intervener evidence.

10 Accordingly, the exact scoping should best
11 be dealt with at a later procedural conference,
12 whether October 10th works, I'm rather skeptical that
13 that's a little too early.

14 At present, our preliminary list of
15 potential topics is quite broad. And I could give you
16 a list of them, but I think it's fully expected that
17 the list would get a lot narrower after the additional
18 evidence and the IR responses are filed.

19 However, we do assert that oral questioning
20 can very often take the place of several rounds of
21 written questions and hence can effectively improve
22 the efficiency of the process.

23 As far as the appropriate steps, number
24 five, in your list of issues. Steps and timetable.
25 The timetable proposed by Hydro is probably a very
26 good starting point but it may need some minor

1 adjustments, notably the decision point as to what and
2 whether the interveners present evidence should take
3 into account the responses to the IRs, the load
4 forecast and the energy cost update particularly after
5 the public release point.

6 The proposed October 10th procedural
7 conference, we feel may be a trifle too early to
8 account for all of these points in sequence.

9 **Proceeding Time 10:18 a.m. T19**

10 As far as other matters, I have none at
11 this time. Any questions?

12 THE CHAIRPERSON: I don't think so. Thank you, sir.

13 MR. WEIMER: Thank you.

14 THE CHAIRPERSON: Ms. Worth?

15 **SUBMISSIONS BY MS. WORTH:**

16 MS. WORTH: Mr. Chair, members of the panel, I will, as
17 everyone else has done here, address the matters in
18 the order in which you presented them in your Exhibit
19 A-7.

20 While I realize that the panel is asking
21 for a preliminary position in regards to issues 1 and
22 2, because this is a public oral process and we
23 lawyers tend to be a rather conservative lot, we tend
24 to be uncomfortable with the prospect of taking a
25 position, even on a preliminary basis, when we feel
26 that the record does need further development.

1 Like Mr. Weafer, we feel that the issues
2 that are being dealt with in these two particular
3 processes -- or these two particular topics, are very
4 important, and we need to ensure that they are being
5 done right. So at this time we are not going to take
6 a position other than the fact that we ask that there
7 be further discovery on these, to ensure that the
8 matter is fully developed and fully explored so that
9 the Commission can make an informed decision and the
10 intervenors can take their positions based on that
11 fulsome record.

12 Now, in regards to question 3, whether we
13 intend to file evidence in this particular process, I
14 can advise that we do not.

15 Question 4, whether the review of the
16 revenue requirements should proceed by a written or
17 oral hearing or some other process. As BC Hydro has
18 noted, it has been quite some time since we have been
19 before the Commission in an oral hearing for BC Hydro.
20 Now, we are at a situation where many of us are still
21 sifting through the thousands of pages of IR
22 responses. Obviously we focus in on what we asked
23 first, and what the Commission asked, but there are
24 still questions that we will have, based on just that
25 review, and then the rest that we have been able to do
26 thus far.

1 I would say that my default position at
2 this point would be that an oral public hearing scoped
3 properly, based on the evidence that will come to our
4 attention after a round of IRs following up, and then
5 also on the evidentiary update, would be appropriate.
6 But, after that particular development of the
7 evidence, it may become a situation where parties
8 don't have anything substantive, or there is one small
9 area that we can deal with in a very discrete and non-
10 taxing oral hearing.

11 The steps and timetable associated with the
12 recommended regulatory review process. BC Hydro has
13 proposed what I think are sort of a reasonable basis,
14 a reasonable beginning. Mr. Keen has obviously come
15 forward with some concerns about the timetable, given
16 the fact that he and his clients are going to be
17 filing evidence. I would like to say that we are
18 flexible on our availability. We don't have too much
19 concern with what has been proposed thus far. We
20 would say that because of the timing of the filing of
21 the evidentiary update, and it falling over what is
22 traditionally known as the holiday period, and there
23 can be some availability issues, that there be
24 sufficient time in order to make sure that all the
25 parties are able to file their IRs there.

26 But I would like to note for the record

1 of disclosure, but you know, BC Hydro is saying that
2 they are worried about inadvertent disclosures. There
3 are certainly ways that, you know, that the Commission
4 panel and BC Hydro can structure things to ensure that
5 that does not happen.

6 Other than that, I have no further matters
7 to add to the process today, subject to any questions.

8 THE CHAIRPERSON: Thank you, Ms. Worth.

9 MS. WORTH: Thank you.

10 THE CHAIRPERSON: Mr. Hooge.

11 **SUBMISSIONS BY MR. HOOGE:**

12 MR. HOOGE: Thank you, Mr. Chair, members of the panel.

13 Before I address the six matters as I
14 identified in the Commission's June 14th letter,
15 Exhibit A-7, I have just a few brief remarks on the
16 nature and intent of Fortis BC's intervention in this
17 proceeding. These will be relevant when I do get to
18 the six matters in Exhibit A-7.

19 FortisBC Inc. and FortisBC Energy are, of
20 course, BCUC regulated public utilities. They are
21 both also customers of BC Hydro and FortisBC Energy's
22 ratepayers are customers of BC Hydro as well. As
23 such, as the Commission knows, FortisBC Utility has
24 regularly participated as interveners in applications
25 by BC Hydro before the Commission.

26 I'll just pause here to note I'll be

1 referring to both FortisBC Inc. and FortisBC Energy
2 Inc. collectively as FortisBC as I carry on in my
3 submissions.

4 FortisBC's interventions in BC Hydro
5 revenue requirements applications tend to be more
6 general in nature and tend to be limited to primarily
7 monitoring the proceedings to understand whether any
8 decisions or regulatory principles that could be
9 established have the potential to affect directly
10 future determinations in FortisBC rate applications.

11 FortisBC's interventions in other types of
12 BC Hydro applications and proceedings can be more
13 active. For example, in rate design applications,
14 because the issues do often become directly of
15 interest to FortisBC in its own proceedings. That
16 said, occasionally issues raised in revenue
17 requirements applications of BC Hydro can become of
18 more immediate interest to FortisBC and in those kinds
19 of cases FortisBC intervenes more actively as a
20 result. But in doing so, was generally focussed on
21 specific issues of interest.

22 And at this point in this particular
23 revenue requirements proceeding, FortisBC has not
24 identified any particular regulatory issues to pursue
25 more actively, but obviously we're at an early stage
26 with much evidence, but the companies will be, of

1 course, continuing to monitor the proceeding and may
2 become more actively involved if issues or principles
3 of regulation become of more immediate interest.

4 That said, turning to issue number one,
5 based on the evidence currently in the record in the
6 form of the application and BC Hydro's round 1 IR
7 responses, FortisBC accepts and supports the position
8 put forward in Exhibit B-8 that the PRES project meets
9 the legislative requirements to be considered a
10 prescribed undertaking pursuant to section 18 of the
11 *Clean Energy Act* and Section 4(2) of the *Greenhouse*
12 *Gas Reduction Regulation*. FortisBC also notes that
13 the Commission recently addressed the *GGRR* in the
14 decision accompanying order G-122-19 issued earlier
15 this month.

16 **Proceeding Time 10:28 a.m. T21**

17 The Commission panel addressed principles
18 of statutory interpretation applicable to the *GGRR* in
19 that decision. The panel agreed that accepted
20 principles of statutory interpretation require that
21 the wording of prescribed undertakings and related
22 conditions as set out in the regulation must be given
23 a fair, large and liberal interpretation in order to
24 accomplish the purpose of the *GGRR* and the *Clean*
25 *Energy Act*. That's, of course, mandated by section 8
26 of the *Interpretation Act*.

1 While that decision dealt with different
2 section of the *GGRR* in a different form of prescribed
3 undertaking, we submit that those interpretive
4 principles should be applied broadly, including to the
5 provision at issue under issue number 1.

6 On the second issue, again FortisBC accepts
7 BC Hydro's position as described in its written
8 submissions and based on the evidence in the record
9 that the MIN to LNG Canada Interconnection Project
10 meets the requirements of the *Transmission Upgrade*
11 *Exemption Regulation*, and should accordingly be exempt
12 from part 3 of the *UCA*. Those are our of course
13 preliminary submissions as mandated in the
14 Commission's letter.

15 On issue number 3, FortisBC does not intend
16 at this point to file intervenor evidence in the
17 proceeding.

18 On issue 4, FortisBC is essentially neutral
19 regarding whether an oral public hearing process
20 should be adopted in this application given that BC
21 Hydro appears quite open to that form of process, and
22 given a general consensus in the room, FortisBC
23 certainly is not opposed to it, and does intend to
24 participate if the Commission considers that an oral
25 hearing is appropriate. I would add, just for the
26 record, in keeping with my earlier submission,

1 FortisBC has not identified any issues at this stage
2 of the proceeding that are of specific interest, and
3 that the companies consider would benefit from having
4 an oral hearing. But if the BCUC does ultimately
5 decide to proceed with one, then FortisBC supports BC
6 Hydro's position that there should be a scoping
7 exercise to limit the issues that are involved,
8 particularly in light of the breadth of the
9 application and all of the many issues that could
10 arise.

11 On issue number 5, the steps in the
12 regulatory timetable, in keeping with my earlier
13 submissions today on FortisBC's expected level of
14 participation in this proceeding, we do not have any
15 specific comments to make on the proposed regulatory
16 timetables being put forward by BC Hydro for
17 consideration. I would like to add that as the panel
18 is no doubt aware, FortisBC itself is in the midst of
19 a regulatory process on its multi-year rate plan
20 application for 2020 to 2024. The next item on the
21 regulatory agenda in that proceeding is a procedural
22 conference on July 9th. FortisBC anticipates that the
23 BCUC's decision on the remaining regulatory process
24 for this proceeding regarding BC Hydro's RRA, could
25 have implications for the proposals that FortisBC puts
26 forward regarding the regulatory timetable in its own

1 application. And since we understand that two of the
2 Commissioners on this panel are also on the panel for
3 FortisBC's application, we would imagine that the
4 potential for overlap and the timing of procedural
5 steps will be kept in mind when the Commission panel
6 in this proceeding makes decisions about the
7 appropriate timetable.

8 THE CHAIRPERSON: That's a fair assumption.

9 MR. HOOGE: On issue 6, I have nothing further to add.
10 Subject to any questions, those are FortisBC's
11 submissions.

12 THE CHAIRPERSON: Thank you sir.

13 MR. HOOGE: Thank you.

14 THE CHAIRPERSON: I realize we are not quite down at
15 the end of the list yet, but I'm going to take a short
16 break. We'll come back at 20 to. Thank you.

17 **(PROCEEDINGS ADJOURNED AT 10:32 A.M.)**

18 **(PROCEEDINGS RESUMED AT 10:44 A.M.)** **T22/23**

19 THE CHAIRPERSON: Thank you, please be seated.

20 Okay, Mr. McLean? Sorry, Ms. McLean.

21 **SUBMISSIONS BY MS. McLEAN:**

22 MS. McLEAN: Thank you, Mr. Chairman. With respect to
23 the five items identified in Exhibit A-7, Zone II
24 ratepayers group takes no position with respect to
25 items 1 and 2.

26 Zone II may file some evidence in this

1 proceeding, as it did in the previous review
2 proceeding for financials 2017 to 2019.

3 Zone II is supportive of a focused oral
4 hearing in this matter, although we agree with Mr.
5 Keen's submission that it should not be so narrow as
6 to unnecessarily or unfairly limit questioning during
7 the oral hearing. That an issues list would be
8 appropriate, but the breadth of that list ought to be
9 considered. And it should not be decided too soon.
10 And that's been discussed by a number of other
11 interveners before the panel this morning, that
12 there's a timing issue, which I'll get into when I'm
13 talking about the scheduling.

14 Topics that Zone II anticipates it may wish
15 to address at an oral hearing would include demand
16 side management, as well as the low income programs
17 and including the Indigenous customer offer that's
18 been raised in BC Hydro's materials.

19 Zone II does share the concerns expressed
20 by other interveners regarding BC Hydro's position on
21 confidentiality in this proceeding, and that we agree
22 that it could be limited to counsel and consultants,
23 possibly again with the concept of a USB that's
24 protected by password. Physical documents aren't as
25 manageable in this day and age.

26 With respect to scheduling, we have a

1 number of comments. We certainly agree that the
2 second procedural conference needs to occur after the
3 completion of the IRs and after the energy update has
4 been completed, and after there has been some time
5 afforded to interveners to consider that information
6 so they could be prepared to present what they propose
7 to do at an oral hearing.

8 I'd also note that BC Hydro has suggested
9 that the public release of the cost of energy
10 information would be October 18th and has suggested
11 that IRs would follow less than two weeks later. And
12 I would suggest that at least two weeks are required
13 to consider and respond to that information with IRs.
14 So I think there needs to be a slight extension of
15 that timeline. I think there's only about ten days
16 afforded now.

17 With respect to the proposal around
18 rebuttal evidence, that's proposed for November 29th,
19 which is a Friday and the hearing is proposed to
20 commence the following Wednesday, December 4th, and
21 that also strikes me as a fairly tight turnaround,
22 especially if there's any requirement to follow up on
23 the rebuttal evidence in writing in advance of the
24 hearing beginning.

25 So on the current proposed approach it
26 strikes me that we are realistically looking at a

1 at this stage about the MIN to LNG Canada transmission
2 upgrade project.

3 As things stand at this point in time, I
4 have no intentions of filing any evidence. However,
5 I'd like to reserve the right to, further down the
6 road, do that.

7 On issue 4 I am personally equally
8 amendable to an oral or a written proceeding as long
9 as -- as stated by other interveners as well, the
10 credibility tests are appropriately applied. As it
11 concerns some of the other comments, I do agree with
12 the AMPC that oral proceedings in the utility sector
13 are fairly widely applied across North America and
14 therefore I would see it as very suitable in this
15 particular case.

16 As it concerns the schedule overall, I
17 don't have any particular comments as to particular
18 dates in the schedule. Personally I will be amenable
19 to the schedule as it is agreed upon by the
20 Commission, the panel, and the applicant and the
21 interveners. I only have one general comment, that as
22 it concerns smaller interveners such as myself,
23 sufficient time is allowed for the review of the
24 documentation in light of the sheer burden of the
25 paperwork.

26 Those are my comments, thank you.

1 THE CHAIRPERSON: Thank you. Thank you very much.

2 Mr. McCandless, are you still on the line?

3 MR. McCANDLESS: Yes, I am.

4 THE CHAIRPERSON: Are you prepared to go ahead, please?

5 **SUBMISSIONS BY MR. McCANDLESS:**

6 MR. McCANDLESS: Yes, thank you. On the first two
7 items I don't have any comment.

8 On the third item my -- the question has to
9 do with the -- sorry, let me get this straight here.
10 The intervener evidence, I do not intend to file any
11 and on the oral or written hearing, I agree with the
12 spokesperson from FortisBC who suggested that if
13 there's no major issues that are presenting
14 themselves, there seems to be less need for an oral
15 hearing.

16 And on the timetable, a general comment.
17 My general view of this is that we seem to be drifting
18 into perhaps Parkinson's law here, where we seem to be
19 having a disproportionate amount of effort going into
20 something that where the rates, for 1.8 percent and .7
21 percent is what's on the table for the moment, plus
22 some other changes including the rate rider, we seem
23 to be going through a lot of effort to review that
24 request.

25 I agree that there's probably a need for
26 limited second round of information requests, but I'm

1 still somewhat confused by BC Hydro's submission about
2 perhaps requiring a change in the rate request based
3 on the evidentiary update, and I presume that relates
4 to fiscal '21 because it's pretty much too late to do
5 anything about fiscal '20.

6 **Proceeding Time 10:54 a.m. T25**

7 The evidentiary update and the other 20
8 year load forecast raises questions to me about how
9 does that relate, especially the load forecast, to the
10 longer term rate plan that's in response of -- the end
11 of comprehensive review phase one, the government said
12 that that would be coming out a new long term plan.
13 Probably much later in 2019 if not early 2020. I'm
14 not sure how those two relate.

15 And I guess my focus would be -- my
16 suggestion would be that the Commission would -- and
17 with the interveners assistance, have a better use of
18 their time to focus on issues that are part of that
19 phase two review, comprehensive review. And see where
20 the Commission can have some input into that process.

21 Those are my general comments.

22 THE CHAIRPERSON: Thank you Mr. McCandless.

23 Mr. Ince? Are you still on the line, Mr.
24 Ince?

25 MR. INCE: Hello, this is David Ince.

26 THE CHAIRPERSON: Are you prepared to go ahead sir?

1 **SUBMISSIONS BY MR. INCE:**

2 MR. INCE: Yes. First of all, I appreciate the
3 opportunity to intervene at this process and hopefully
4 bring some of my expertise towards achievement of
5 lower cost ratepayers. As you know, I've worked for
6 BC Hydro for many years.

7 So with respect to the five items, and my
8 apologies for not being in person. I realize that we
9 have small grandchildren in daycare, you're going to
10 be picking up a lot more germs. So with respect to
11 the five items, I agree with BC Hydro on the merits of
12 a focused oral hearing. I believe the last one was in
13 2009 and I testified on behalf of BC Hydro in this
14 process. And I can attest to that it's an interactive
15 process, particularly on some complicated issues such
16 as the load forecast, results in a more efficient and
17 interactive process.

18 On the issue -- the issues list related to
19 the oral hearing. I agree with Mr. Keen that there
20 should be some reasonably flexibility in terms of the
21 issues. Particularly policy related questions for
22 panel one.

23 Whether I intend on filing intervenor
24 evidence, I don't know yet. I would like to reserve
25 the option. I guess it depends on where the press of
26 prescribed undertaking and my review of the updated 20

1 year load forecast.

2 As to the schedule, I can probably set up a
3 schedule as proposed by Hydro, subject to the
4 resolution of time and concerns as the -- for example,
5 Mr. Keen. And subject to an oral hearing issues list
6 is created after the second round of IRs.

7 With respect to the Peace Region
8 Electricity Supply Project or PRES, I assume that BC
9 Hydro intends that to be exempted in every respect.
10 Clearly the provincial government intends PRES as a
11 project to electrify Peace Hill gas production and
12 reduce GHGs. And in that context, I think PRES will
13 be built in cost recovery of rates and exempted from
14 section three of the UCA.

15 However, I think that the Commission, the
16 ratepayers and the government, the shareholder itself
17 would be interested in a cost effective solution and a
18 fulsome review of the PRES supply options. So for
19 example in Webly IRs, I issued and I received response
20 to my IR at 1.6.8. BC Hydro indicated that they have
21 at least four critical transition options and
22 potentially multiple generation options that are less
23 explored.

24 So even though the overall PRES project I
25 can accept as being a prescribed undertaking, the most
26 effective option for PRES, I think, needs an overall

1 review. And I think the government would appreciate
2 that review.

3 Those are my comments at this time.

4 THE CHAIRPERSON: Thank you, Mr. Ince, appreciate it.

5 Mr. Hackney, are you on the line?

6 Mr. Miller?

7 **SUBMISSIONS BY MR. MILLER:**

8 MR. MILLER: Staff have two brief comments. With
9 respect to the --

10 THE CHAIRPERSON: Sorry Mr. Miller, just Ms. -- no,
11 okay. Go ahead.

12 MR. MILLER: With respect to the form of process, staff
13 is neutral on whether we conclude by further IRs or by
14 an oral hearing. We take no position.

15 Staff's only request is that we be allowed
16 another round of IRs after the evidentiary updates
17 have been filed.

18 **Proceeding Time 10:58 a.m. T26**

19 THE CHAIRPERSON: Thank you, Mr. Miller.

20 Okay, so now we are going to go back up the
21 list, and I would ask you to restrict your comments to
22 only -- to either addressing a comment that another
23 party has made, or if they have introduced something
24 new that you wish to comment on, go ahead. But we
25 will just start going back up the list.

26 Mr. Ince? Anything further to add?

1 MR. INCE: No more comments.

2 THE CHAIRPERSON: Thank you. Mr. McCandless?

3 MR. McCANDLESS: No further comment, thank you.

4 THE CHAIRPERSON: Thank you sir. Ms. Gjoshe, anything
5 further?

6 MS. GJOSHE: No further comments.

7 THE CHAIRPERSON: Thank you. Ms. McLean?

8 MS. McLEAN: No further comments.

9 THE CHAIRPERSON: Mr. Hooge?

10 MR. HOOGE: Nothing further.

11 THE CHAIRPERSON: Thank you. Ms. Worth?

12 MS. WORTH: I have something very brief to say.

13 THE CHAIRPERSON: Thank you.

14 **REPLY BY MS. WORTH:**

15 MS. WORTH: Mr. Chair, members of the panel, I wanted
16 to address an idea that Mr. McCandless introduced,
17 which was that given the quantum of the rates that BC
18 Hydro is seeking to increase by, that we are reaching
19 kind of a point where the effort is not worth the
20 amount of work that is going into it.

21 I would like to put on the record that our
22 clients and others here are not just here for the
23 rates. I mean, obviously as a revenue requirement,
24 that is what first comes to mind, but it is the
25 ability of the utility to provide safe, reliable
26 service, and to provide that with stable, yet

1 reasonable rates, neither too high, nor too low.

2 Obviously our clients are in a unique
3 position as the sort of canary in the coal mine, as
4 low and fixed income consumers, so quite often there
5 is a tension when we feel that there is request for a
6 rate increase that is too low. But there have been
7 instances in the past where the Commission has
8 actually come to a decision that was for a higher rate
9 than a regulated party was asking for.

10 So that is a possibility. It's certainly
11 not something I am advocating for, but there is more
12 to a revenue requirement than just looking at whether
13 the rates are there. And I just want to put that on
14 the record, that we don't share the view that this is
15 diminishing returns.

16 THE CHAIRPERSON: Okay, thank you, Ms. Worth.

17 MS. WORTH: Thank you.

18 THE CHAIRPERSON: Mr. Weimer?

19 **REPLY BY MR. WEIMER:**

20 MR. WEIMER: Jim Weimer, Clean Energy B.C. Just two
21 comments.

22 One, we have always had a difficulty with
23 confidentiality arrangements, and the reason is
24 because we need to consult with our membership, and
25 our members are business competitors with each other.
26 So we can't really consult with -- there may be a few

1 members that are constituted into a regulatory
2 committee. We can't really consult with a few members
3 and not consult with all the members, because they are
4 competing with each other.

5 And my second comment is, although it
6 appears as a 1.8 percent increase due to -- that's the
7 impact on bills, it is only 1.8 percent because of the
8 removal of the 5 percent rate rider. It's actually a
9 6.8 percent increase if you don't consider that, but
10 it doesn't affect the bills by 6.8 percent, only 1.8
11 percent.

12 And of course, much of that 6.8 percent is
13 there because it was there last year, but it was
14 shielded by the rate smoothing reduction. Probably
15 close to \$300 million was taken out of BC Hydro's
16 operating costs, because of the rate smoothing
17 reduction, and now it turns up in the rates this year,
18 but it's actually a previous year's increases.

19 That's our only comment at this point.

20 Thanks.

21 **Proceeding Time 11:03 a.m. T27**

22 THE CHAIRPERSON: Thank you, sir.

23 Mr. Keen.

24 **REPLY BY MR. KEEN:**

25 MR. KEEN: I'm in the happy position of being able to
26 say "Me too" on two instances here. First, with

1 respect to Ms. Worth's comment. Earlier on she made a
2 general comment about the need to perhaps be flexible
3 in relation to the holiday period as folks may have
4 constraints that arise. It's early days, but we would
5 echo that comment, to be alive to a need for
6 flexibility.

7 And then second, in relation to the two
8 previous speakers concerning the prospect of
9 diminishing returns and whether or not this process is
10 of too great a scale to deal with relatively low
11 proposed rate increases. AMPC says that the mechanics
12 matter and that the medium term impacts are at issue
13 given the content of the application today and it is
14 important to deal with them here and now.

15 Thank you.

16 THE CHAIRPERSON: Thank you, sir.

17 Mr. Andrews.

18 **REPLY BY MR. ANDREWS:**

19 MR. ANDREWS: First point, I support AMPC's suggestion
20 for there to be some sequence between the filing of
21 intervener evidence and the IRs on the evidentiary
22 update, and the cost of service filing.

23 Secondly, in response to one of the
24 comments that was made, I want to clarify that my
25 understanding of the proposal in terms of oral and
26 written hearing is that the subjects that are -- if

1 there is an oral hearing, that are scoped into the
2 oral hearing, would be addressed in the written final
3 argument, and that's what I meant when I said a
4 comprehensive written argument. So that it's not
5 either/or. It would be, in the case of the topics
6 that are identified for the oral hearing, they would
7 also be addressed in the written argument.

8 THE CHAIRPERSON: Thank you, sir.

9 MR. ANDREWS: Thank you.

10 THE CHAIRPERSON: Mr. Weafer.

11 **REPLY BY MR. WEAFER:**

12 MR. WEAFER: Two brief points. I would agree with Mr.
13 Andrews' approach to final argument, that the
14 comprehensive final written argument is on the oral
15 hearing matters as well as those that have been dealt
16 with through the written process.

17 And secondly, I'd just like to align with
18 Mr. Keen and Ms. Worth with respect to the
19 effectiveness of the confidentiality undertakings,
20 both for counsel and for consultants. I've been doing
21 this for almost 30 years, and those issues have not
22 arisen. Those undertakings do work and I think would
23 work in this case. Thank you.

24 THE CHAIRPERSON: Thank you, sir.

25 So that brings us to Mr. Ghikas, again.
26 And Mr. Ghikas, before you start, I've just got to

1 say, and I think I speak on behalf of the panel here.
2 I think we're struggling with the whole issue of the
3 timetable and the uncertainty of the beginning of the
4 timetable. And you know, frankly, before we all
5 invest a lot of time and energy in establishing a
6 timetable, I think I'd really like to understand why
7 we're establishing a timetable on a date that may not
8 actually work after all. It would help if we even had
9 some idea of the probability of that date actually
10 working.

11 But even if it's a reasonable probability,
12 then we might be back here again, or at least back in
13 this kind of process again trying to work out another
14 timetable. And perhaps you could address why we
15 shouldn't be looking at August the 31st as the date on
16 which to base the timetable and just, you know,
17 recognize that that's the date that we're going to use
18 going forward.

19 MR. GHIKAS: I can address that now.

20 THE CHAIRPERSON: Thank you.

21 **REPLY BY MR. GHIKAS:**

22 MR. GHIKAS: I'll address that upfront, Mr. Chairman.
23 So I can give you a bit of information. I can't speak
24 to what the odds are as it does depend entirely --

25 THE CHAIRPERSON: And largely perhaps it doesn't matter
26 what the odds are. The fact is that there's a very

1 real chance that we will be crafting a new timetable
2 sometime in early August, and so why don't we just do
3 that now.

4 **Proceeding Time 11:07 a.m. T28**

5 MR. GHIKAS: Right. No, and I understand that, and in
6 the past and the dates are all public in terms of when
7 they have been published in the past, and the public
8 accounts have been put forward in mid-July in the
9 past, as well as in August. And so there is no
10 definitive answer I can give you, I accept that.

11 BC Hydro's submission really is that the
12 scope of the evidentiary update timing shouldn't be
13 holding up the remainder of the process longer than it
14 needs to. Obviously we've proposed IR round 2 at the
15 point in which we believe the information has a
16 reasonable prospect of being present. And doing that
17 all together is ideal. But there will come a point
18 when holding up the proceeding to accommodate what is
19 in reality a relatively narrow scope evidentiary
20 update, unnecessarily moves the proceeding out.

21 So, really my submission is around the
22 scope of it, and the existence obviously of regulatory
23 accounts in some instances of what will be covered by
24 that, ultimately any variances will be picked up. So,
25 that is the essence of the submission.

26 THE CHAIRPERSON: Correct me if I am wrong here, but I

1 think that what I've heard here is the importance of,
2 for example, the cost of energy update, the importance
3 of that to intervenors and the importance of that
4 before we have the next procedural conference. And
5 before they finish their intervenor evidence.

6 So, I don't see how you can then say that
7 the evidentiary update has limited effect on the
8 timetable, and we can craft the timetable around it.
9 It seems to me that it is an integral piece of the
10 timetable, and it's on the critical path.

11 MR. GHIKAS: Well, to be clear about what it is about
12 the confidential -- what it is that would be
13 confidential, there is going to be information that
14 everybody can see when the evidentiary update is
15 filed, as to what the cost of energy is. What it
16 won't tell you is the detail about what purchases are
17 going to be made and when. That's what -- it's the
18 details, the underlying details are what's going to be
19 made confidential. There will be topline numbers with
20 respect to the effects on the accounts --

21 THE CHAIRPERSON: But the topline numbers, that is a
22 weighting -- and perhaps I misunderstand, but the
23 topline numbers, the non-confidential cost of energy
24 update, that is not dependent on the date of the
25 public accounts?

26 MR. GHIKAS: Oh, the date of the public. Okay, so

1 there is two separate issues. One of them is on the
2 public accounts you have my answer that it is related,
3 right? So we're going to do one evidentiary update,
4 we believe it's appropriate to do one evidentiary
5 update and not separate that issue.

6 But with respect to whether people are held
7 up by the delayed publication of the details of the
8 energy study, my point is simply that it's not like
9 people will not know what the cost of energy is when
10 the evidentiary update is filed. What is being
11 withheld?

12 So BC Hydro believes that it can craft the
13 evidentiary update in a public way that will provide
14 the topline information that won't give away the
15 strategy.

16 THE CHAIRPERSON: Right, but my question wasn't on the
17 confidentiality of it.

18 MR. GHIKAS: Okay.

19 THE CHAIRPERSON: My question was on the evidentiary
20 update itself, and if that is delayed because the
21 public accounts committee is delayed, then we really
22 can't get on with the rest of the timetable. That's
23 on the critical path as I understand it, based on what
24 we've heard today. We've heard from intervenors that
25 they need the evidentiary update before they can move
26 ahead with the timetable.

1 MR. GHIKAS: Yeah.

2 THE CHAIRPERSON: That is maybe my words, not theirs.

3 But that is what I think I've heard today.

4 **Proceeding Time 11:12 a.m. T29**

5 MR. GHIKAS: Okay, so let me deal with that point
6 squarely. I think what I heard was -- you know, from
7 my friend Mr. Keen on behalf of AMPC, is that the area
8 that they've articulated, they want to have the direct
9 ability to respond to the cost of energy information,
10 but the two points that have been articulated as the
11 potential topics don't turn on the details of that
12 evidentiary update. The industrial rate
13 competitiveness is a rate design issue, not a revenue
14 requirements issue. And the expert evidence comparing
15 practices with other provinces' regulatory accounts
16 analysis forecast costs, including cost of energy,
17 finance charges and certain operating costs and
18 capital projects, that to me, doesn't speak to the
19 need to get the details of what the energy study
20 information is telling you.

21 So in my submission those two things are
22 absolutely consistent with each other and can proceed
23 without prejudicing anyone. And nobody else has
24 identified a need to speak to the details of the
25 evidentiary update as definitively something that they
26 need in order to provide -- in order to provide

1 evidence in this proceeding.

2 THE CHAIRPERSON: Okay, fair enough. So perhaps let me
3 rephrase my question then. It would be helpful if the
4 panel had BC Hydro's proposed timeline with the event
5 that the evidentiary update is delayed, because the
6 accounts committee doesn't meet until August 31st.
7 What would your timeline look like then? I think that
8 would be helpful to the panel.

9 MR. GHIKAS: And is that something that you're looking
10 for us to file afterwards or to break and provide it?

11 THE CHAIRPERSON: I'd be happy if you could break and
12 provide that answer.

13 MR. GHIKAS: All right. I'm getting notes that we can
14 put that together. Shall I go through my reply points
15 first or do you want to break and --

16 THE CHAIRPERSON: I'll leave that with you. Whatever
17 you feel would be -- however you would like to do it.

18 MR. GHIKAS: I think I can deal with a couple of them
19 now and then we can break.

20 So to go through starting with my friend
21 Mr. Weafer on behalf of CEC, he identified potential
22 topics for an oral hearing, and while I don't want to
23 spend much time dealing with these, there were a
24 couple that caught my attention as to maybe we were
25 taking us down the wrong path.

26 And the first one was what I understood him

1 to be saying is looking at the outputs of the B.C.
2 government review and assessing what the continued
3 role of government would be. And in my submission
4 that sounded an awful lot like a policy discussion
5 about what the legislative role of the province is,
6 and that's not something that BC Hydro can
7 meaningfully speak to in an oral proceeding.

8 One of the other issues that my friend
9 identified was the integration between the IRP and the
10 revenue requirements application and how it would be
11 affecting -- how one would affect the other, and I
12 just wanted to point out that the IRP won't be
13 affecting what's happening in this test period.

14 And finally, with respect to the adequacy
15 of the service plan and it's targets, I merely wanted
16 to make the point that the determination of what is
17 and what is not an appropriate service plan is one
18 that should be left to management, properly left to
19 management. Obviously the implications of that, to
20 the extent that it has cost implications, service
21 implications and the like would be a fair issue to
22 canvas, but I did think it would be worth mentioning
23 that dichotomy.

24 With respect to my friend Mr. Keen, on the
25 topics I did want to emphasize, and I have alluded to
26 this already, the first bullet he has identified as a

1 potential issue for intervener evidence really is one
2 that looks very much like rate design and would not be
3 covered in a revenue requirements proceeding.

4 **Proceeding Time 11:16 a.m. T30**

5 One of the other issues that came up was
6 the load forecast. And a couple of people alluded to
7 the release of the load forecast and what implications
8 that might have. And I believe one of those was Mr.
9 Weimar on behalf of CEABC.

10 I wanted to just simply point out a few
11 points about what that is. And to be clear, when BC
12 Hydro has indicated that it is filing the 20 year
13 updated load forecast, to be clear what they're doing
14 is they're filing it for informational purposes out of
15 a desire to be transparent. Not because it's
16 necessarily an essential update for the actual test
17 period itself.

18 In the first round of IRS there were
19 requests asking for an updated load forecast and BC
20 Hydro's response was, "We're working on the 20 year
21 one and we're happy to file that when it's ready."
22 And that's what the impetus for filing that is. And I
23 don't want the Commission to take from the fact that
24 we've referenced it in the timetable to mean that
25 there's necessarily going to be significant impacts,
26 because, you know, in my submission, what we are

1 dealing with here is a two year test period, half of
2 which is well underway. There is also a regulatory
3 account in place that deals with variances in the load
4 forecast. So I wanted to makes sure that was
5 understood.

6 The next point I wanted to deal with, Mr.
7 Chairman, was the confidentiality. And let me start
8 off by saying, the Commission has a range of options
9 available to it. It has discretion as to how it
10 receives information, whether public or confidential.
11 BC Hydro uses undertakings when it's appropriate.
12 It's used them in the current proceeding for
13 information that is sensitive, commercially sensitive.
14 And that is its default in most circumstances, and it
15 has been used with success.

16 But there are also instances when
17 information, whether under undertaking or not, has
18 been disclosed in proceedings. The Site C proceedings
19 where someone under an undertaking disclosed
20 information. And there has been an instance even in
21 this proceeding, where there was inadvertent
22 disclosure of confidential information. So, it does
23 happen despite people's best intentions.

24 And the point here is that there is a point
25 at which the public interest is served by keeping
26 information confidential and restricting its

1 circulation. This isn't about BC Hydro's interests,
2 per se, this is about BC Hydro speaking on behalf of
3 the customers in this province. There is a point at
4 which the harm can be so significant to those
5 customers that it is worth keeping information
6 confidential. And in this case confidential
7 temporarily with full process contemplated for people
8 to ask questions and test that.

9 And in my submission it is really important
10 not to lose sight of the fact that BC Hydro has
11 attempted to deal with this in a pragmatic way that is
12 protecting customers. Because in the event of
13 disclosure, that would result in significant harm to
14 customers. Let there be no question about that.

15 And I want to articulate just a little bit
16 more about what that harm would look like and how it
17 would arise. Because there was some suggestion that
18 it wasn't clearly articulated, a point which I would
19 disagree with, but let me walk through it because I
20 think it's very important for everybody in the room to
21 understand this.

22 So BC Hydro, depending on system
23 conditions, needs to purchase energy to satisfy an
24 energy deficit or to sell power to satisfy an energy
25 surplus. And BC Hydro transacts those purchases and
26 sales with Powerex Corp., which in turn determines how

1 best to procure and sell the energy in the external
2 wholesale markets. The materials we're talking about,
3 that would be delayed. So again, we're providing the
4 high level information right off the bat as part of a
5 public energy evidentiary update.

6 So the materials we're talking about is
7 essentially, if disclosed, would telegraph to the
8 market how much BC Hydro would be purchasing and when
9 and in what particular period of time. And that would
10 provide insights into Powerex's likely activities.
11 That would allow other market participants in the
12 wholesale markets to act in advance, pre-emptively, to
13 the detriment of BC Hydro and its customers.

14 And ultimately customers would be affected
15 because they're the ones who bear the cost of energy
16 purchase. And they're the ones who receive the
17 benefit through Powerex's net income and through the
18 trading and deferral account, they're the ones who see
19 the benefits of it.

20 So for example, the disclosure of this
21 information, in my submission, has entirely
22 predictable outcomes, for example. And let me just go
23 through a couple of simple examples for you.

24 **Proceeding Time 11:22 a.m. T31**

25 First, the market prices would rise in
26 times when BC Hydro was expected to purchase.

1 Suppliers of energy would know that they have
2 leverage.

3 Secondly, other purchasers who need to
4 serve their load as well, could step forward, in
5 advance, and make their own purchases to secure that
6 supply first.

7 And third, traders and marketers could
8 purchase the power first and make arbitrage profits by
9 selling it for BC Hydro's own use. In my submission,
10 those outcomes are entirely predictable as a result of
11 market -- a functioning market.

12 So in my submission -- and I would point
13 out in addition, that Mr. Weimer pointed out the
14 difficulty he has about sharing information amongst
15 his contingent of individuals because they are
16 competitors. Well, you know, I would also point out
17 that those competitors are perhaps competitors of BC
18 Hydro as well. One of the board members of CEABC is
19 from Morgan Stanley, and that's a significant
20 competitor with Powerex and it is really important
21 that information does not get disclosed to competitors
22 in that environment.

23 And so I would suggest in my submission
24 that BC Hydro has done what it needs to do in terms of
25 putting forward a practical result. I've heard the
26 suggestions about copies and undertakings for clients.

1 My submission is that while those make incremental
2 improvements, the risk of harm to the public, to
3 customers is simply too significant in the
4 circumstances to take any other approach other than
5 what BC Hydro is taking.

6 BC Hydro respects that there is an interest
7 in disclosure and has shown and demonstrated through
8 its disclosure in this application, through the
9 production of their evidence, that they take that very
10 seriously. And so in my submission, the proposal that
11 BC Hydro has put forward is an appropriate one.

12 Now, from Zone II, my friend Ms. McLean,
13 articulated that there may need to be additional time
14 to ask IRs on rebuttal evidence in the context of an
15 oral submission. If there's an oral hearing, in my
16 submission, it's unnecessary to ask IRs as well as
17 have an oral hearing and so we just simply, if we're
18 going to have an oral hearing, just simply do that.

19 So the other thing is that -- the only
20 other thing that I had was that staff indicated they
21 wanted another round of IRs after the evidentiary
22 update and BC Hydro's proposal does accommodate that.

23 So if I can stop there, then, unless you
24 have any questions on those items, and then we can
25 break and discuss a timetable.

26 THE CHAIRPERSON: Thank you. How much time do you need?

1 MR. GHIKAS: Fifteen minutes would suffice, Mr.
2 Chairman.

3 THE CHAIRPERSON: So come back at twenty two.

4 **(PROCEEDINGS ADJOURNED AT 11:16 A.M.)**

5 **(PROCEEDINGS RESUMED AT 11:43 A.M.)** **T32/33**

6 THE CHAIRPERSON: Please be seated. Thank you.
7 Mr. Ghikas?

8 MR. GHIKAS: Okay, Mr. Chairman, so what BC Hydro has
9 done here is first of all delaying the round 2 IRs
10 until after the close of the public accounts, the
11 release of the public accounts. So, the evidentiary
12 update would again be with that, so those two things
13 are together again.

14 The other thing that BC Hydro has done in
15 this proposal -- well it is not a proposal. The other
16 thing that BC Hydro has done with this schedule is lay
17 everything out in linear fashion, so that there is no
18 parallel process at any time. So that stretches out
19 the process obviously to do that, and to the extent
20 that the Commission is comfortable running things in
21 parallel, that will shrink this. But this essentially
22 lays everything out in parallel. It sort of
23 incorporates some of the submissions that other
24 parties have made.

25 THE CHAIRPERSON: Thank you, that's helpful.

26 MR. GHIKAS: So the first date is Tuesday, September

1 the 3rd, and BC Hydro on that day would file the
2 evidentiary update. And three weeks later on Tuesday,
3 September 24th, people would ask round 2 IRs, and the
4 Commission would ask round 2 IRs to BC Hydro.

5 Tuesday, October the 29th would be BC Hydro
6 responds to information requests in round 2, and that
7 would give five weeks for those responses. And on the
8 same day, October 29th, BC Hydro would publish the
9 confidential portion of the evidentiary update, and
10 file the 20-year load forecast.

11 And then on Tuesday, November the 12th, so
12 two weeks later, intervenors and BCUC would ask IRs on
13 the previously confidential portion of the evidentiary
14 update, and on the 20-year load forecast to the extent
15 that it relates to the test period.

16 COMMISSIONER MASON: Sorry, could you repeat that date
17 in November?

18 MR. GHIKAS: Tuesday, November 12th. And then three
19 weeks later, Tuesday, December 3rd, BC Hydro would
20 respond to that limited set of IRs. Tuesday, December
21 10th there would be a procedural conference, and then
22 allowing for the Commission to have to issue a
23 procedural order, it essentially pushes it into
24 January, effectively, for the next steps.

25 Tuesday, January the 14th would be
26 intervenor evidence. Thursday, January 23rd, so a week

1 and a half later, the Commission and BC Hydro asks IRs
2 on intervenor evidence. Thursday, February 6th, just
3 two weeks later, interveners would file responses to
4 those IRs.

5 **Proceeding Time 11:47 a.m. T34**

6 Tuesday February the 18th, which is a week
7 and a half later, BC Hydro would file rebuttal
8 evidence if required. And then on Monday, March the
9 2nd, there would be the first day of an oral hearing,
10 if any. And I did want to just note that in between
11 Tuesday, February the 18th and Monday, March the 2nd is
12 the budget lock-up which will absorb many of the
13 financial people, including the senior financial
14 people at the Corporation. So they will be fully
15 engaged for a portion of that. So that's why the gap
16 between the rebuttal evidence and the start of the
17 hearing. In addition to allowing more time, as I
18 think my friend Ms. McLean alluded to.

19 THE CHAIRPERSON: Would there be any way to schedule the
20 hearing so that those people that are involved in the
21 lock-up could be in the lock-up when we did other
22 parts of the oral hearing then?

23 MR. GHIKAS: It depends. I mean the finance component,
24 typically there's a finance component to each of the
25 other aspects in the proceeding. So operating costs,
26 for example, there's going to be a significant part.

1 There's usually finance people on the capital side as
2 well, so. So it would be tough.

3 THE CHAIRPERSON: Yeah, understood. Yeah, fair enough.

4 COMMISSIONER MASON: Excuse me, Mr. Ghikas, apropos of
5 your comments right at the beginning of this
6 procedural conference, would you anticipate IRs on
7 that rebuttal evidence?

8 MR. GHIKAS: Not if there's an oral proceeding. We
9 would be proposing that any further questions be posed
10 to witnesses at the proceeding, at the oral hearing.

11 And then the dates -- obviously this would
12 be subject to how long the hearing is, but you could
13 see taking the -- for arguments, taking the timetable
14 that people generally were comfortable with at the
15 staging of that, the similar spacing of those
16 arguments would take you to April 9 for BC Hydro to
17 file its initial final submissions, final argument.
18 April 30th for interveners to file their argument. And
19 then BC Hydro replies on May 21st.

20 THE CHAIRPERSON: Sorry, can you repeat those last three
21 dates? April 19th?

22 MR. GHIKAS: Certainly. April 9th.

23 THE CHAIRPERSON: 9th, sorry, yeah, okay.

24 MR. GHIKAS: And then April 30th for interveners and then
25 the reply of BC Hydro on May the 21st.

26 THE CHAIRPERSON: Okay.

1 **Proceeding Time 11:51 a.m. T35**

2 GHIKAS: So as I indicated, you know, at the outset, we
3 want to make sure that the Commission understands this
4 isn't BC Hydro's proposal, we've put forward what we
5 believe is an appropriate timeline, and I see nodding
6 heads, so that's good.

7 One of the challenges of a linear process
8 like this obviously is that once the Commission issues
9 its decision, BC Hydro is looking to file its next
10 revenue requirements proceeding very shortly after it
11 gets the decision on this one, which creates a number
12 of complications in and of itself. So it does have
13 the tendency to stack it up into future times as well,
14 future proceedings as well. But that would be if
15 Commission wants to go with the linear approach, we
16 think that the spacing is -- the gaps in between is
17 appropriate and take it at that.

18 THE CHAIRPERSON: I have a couple of questions then.
19 Your October 29th date, your second October 29th date,
20 where you're publishing the 20-year load forecast,
21 does that have to wait for the public account
22 committee process? Or could the 20-year load forecast
23 be filed on September 3rd? And if so, then perhaps
24 there could be any IRS on that could start earlier?

25 MR. GHIKAS: Thank you, that is a good question. So
26 the date that was in our original filing was actually

1 October 3rd. So, I mean, there is no impediment to
2 filing the load forecast on October the 3rd again. The
3 reason we had to wait until October the 3rd is that it
4 is not done and finalized until then. It doesn't
5 relate to the public accounts, it relates to when it's
6 done and finalized by the board.

7 So, if you were to stagger it like that,
8 certainly including an October 3rd or any date
9 thereafter, we would be fine with that.

10 THE CHAIRPERSON: Okay, and the second question is on
11 the procedural conference. Would you see any merit to
12 waiting until the intervenor evidence, and even the
13 rebuttal evidence before we have the procedural
14 conference?

15 MR. GHIKAS: I don't actually think it's necessary to
16 do that. I think it would -- and I say that in part
17 because if an intervenor is filing evidence and we're
18 filing rebuttal evidence, the way we had proposed it
19 is that we would have to have somebody come and speak
20 to any questions on the rebuttal evidence, because we
21 hadn't contemplated IRs. So, our sort of implicit
22 assumption is that if you are going to be going
23 through intervenor evidence process, there may well be
24 -- that may be in the scope, that was the assumption.

25 THE CHAIRPERSON: Right. Okay, and then final question
26 is you point out this had been laid out in a linear

1 fashion, and you hadn't taken into account any
2 parallelism, for want of a better word. Do you have
3 some suggestions of what could be paralleled in this?
4 MR. GHIKAS: Well, it would be -- I mean the parallel
5 process would be what we put forward previously. So
6 you could try to put those together. We didn't
7 actually get that far in terms of meetings.
8 THE CHAIRPERSON: That's okay.
9 MR. GHIKAS: So if you would like us to do that, we
10 could certainly go back, happy to do that.
11 THE CHAIRPERSON: I don't think at this point. But
12 what I would like to -- subject to you being finished?
13 MR. GHIKAS: Nothing further from me.
14 THE CHAIRPERSON: I would like to give others an
15 opportunity to speak to this though, please.
16 MR. GHIKAS: Thank you Mr. Chairman, and Commissioners.
17 THE CHAIRPERSON: So we will just, hopefully quickly,
18 but take your time. Go down the list again? And if
19 you have any comments on this timetable? Mr. Weafer?
20 MR. WEAFER: I should have done it from the desk. We
21 are fine with the proposed timetable, thank you.
22 THE CHAIRPERSON: Thanks for coming up.
23 MR. ANDREWS: My only comment for BCSEA is the January
24 23rd suggestion for the deadline for information
25 requests from the Commission and BC Hydro on
26 intervenor evidence. My suggestion is that should be

1 available to intervenors as well.

2 THE CHAIRPERSON: Okay.

3 MR. ANDREWS: That is, it's fairly common for
4 intervenors to ask IRS of other intervenors that have
5 provided evidence.

6 THE CHAIRPERSON: Of course. Thank you. Mr. Keen?

7 **Proceeding Time 11:56 a.m. T36**

8 MR. KEEN: Three quick comments, Commissioners, Mr.
9 Chairman. First, in terms of the dates and the
10 spacing, those don't concern us. Those would be
11 acceptable to us. That said, if there is a stacking
12 concern on the part of the Commission and it wanted to
13 avoid this and go back to the original and what we
14 view as flawed proposal, this could be, I think,
15 compressed somewhat in a fair way for interveners and
16 the Commission. There are a couple of weeks in that
17 first sequencing between the end of September and the
18 second procedural conference proposed for December 10th
19 that could be taken out, and I haven't quite looked at
20 the calendar and figured out how that would happen,
21 but my sense is you could have a late December
22 intervener evidence filing that would accelerate
23 things somewhat.

24 And likewise the timing of intervener
25 argument and BC Hydro's reply, there's probably a
26 little bit of time that can be shaved there as well.

1 And so the effect is getting something towards the end
2 of April as opposed to the end of May.

3 THE CHAIRPERSON: Sorry, you said a late, what month
4 intervener evidence filing?

5 MR. KEEN: December. Before Christmas. December 20th was
6 the date I had in mind.

7 THE CHAIRPERSON: Okay, thank you.

8 MR. KEEN: Thank you.

9 THE CHAIRPERSON: Thank you, Mr. Keen.

10 Mr. Weimer?

11 MR. WEIMER: By and large I think the new proposal sounds
12 much better. I would think that that last suggestion
13 of December 20th for intervener evidence might be a
14 little rushed if it comes down to actually wanting to
15 put something in.

16 And we're happy with the load forecast
17 coming out October 3rd or 29th. October 3rd if they can
18 do it. Sure. Thanks.

19 THE CHAIRPERSON: Thank you, sir.

20 Ms. Worth.

21 MS. WORTH: Mr. Chair, Members of the Panel, I would
22 like to support the comments in regards to the
23 availability of the intervener IRs on intervener
24 evidence made by my friend.

25 And then also I've been looking at this and
26 I have -- we have no intention of filing the evidence

1 early in January for the procedural conference to
2 ensure that parties can be adequately prepared and
3 ready to plan what they expect to have unfold at the
4 oral hearing.

5 We think that we could meet a deadline of
6 December 20th for intervenor evidence if necessary. So
7 I think that can be accommodated in response to Mr.
8 Keen's submission.

9 And my suggestion would be, with respect to
10 final argument, that it ought to be determined --

11 [*Electronic voice message*]

12 MS. McLEAN: Timing for written submissions ought to be
13 determined based on the length, anticipated length of
14 the hearing itself. So, you know, reasonable
15 estimates could be two weeks following the conclusion
16 of the hearing Hydro files their response, three weeks
17 after that intervenors file their response. But until
18 we know the length of the hearing it may be premature
19 to set those deadlines.

20 Thank you.

21 THE CHAIRPERSON: Thank you, Ms. McLean.

22 Ms. Gjoshe?

23 MS. GJOSHE: I have no further comments on the timetable
24 or the schedule other than just, probably, whether
25 there is any consideration to the intervenor funding
26 or applications for funding concerning the length of

1 the proceedings. From what I can see, it's about a
2 year from now and I don't need that addressed here.
3 It's just a consideration for myself.

4 THE CHAIRPERSON: There is funding available. I believe
5 it's in the existing timetable. I'm not certain, but
6 if not--

7 MS. GJOSHE: Yeah, no. Just whether the changes to time
8 table impact the process as it concerns that. Thank
9 you.

10 THE CHAIRPERSON: Thank you. If there are no further
11 comments then, from anyone?

12 I thank you very much for your attendance
13 here today and hope you have a good remainder of the
14 day. Thank you very much.

15 (PROCEEDINGS ADJOURNED AT 12:01 P.M.)

16

17

18

19

I HEREBY CERTIFY THAT THE FORGOING
is a true and accurate transcript
of the proceedings herein, to the
best of my skill and ability.

20

21



22

23

A.B. Lanigan, Court Reporter

24

25

June 24th, 2019

26