

RAVENS LANDING

INDUSTRIAL PARK

PO Box 370
Sooke, BC V9Z 1G1

July 30, 2019

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Attention: Commission Secretary

**Re: Ravens Landing Industrial Park Ltd. (RLIP)
1763 Sean Heights, Saanichton, BC**

Response to: CEC Information Request No. 1

CEC Question 1.1.

The CEC is unclear on the specific exemptions being requested by Raven's Landing. Is Raven's Landing seeking to be exempt from Part 3 of the Utilities Commission Act except for Sections 25, 38, 41 and 42?

Response 1.1.

The initial application did not cite any specific exceptions to the Part 3 exemption.

CEC Question 1.1.1.

If no, please provide the specific exemptions that Raven's Landing is seeking.

Response 1.1.1.

The UCA Part 3 exceptions that RLIP feels would be appropriate to our situation are:

Section 25 – Commission may order improved service

Section 38 – Public utility must provide service

Section 42 – Duty to obey order

Elaboration on the above is addressed elsewhere in this document.

RLIP is certainly open to other Part 3 exceptions that may be determined by the questions and responses of this application process.

CEC Question 1.2.

Please see Commission order G-177-18 and comment on the applicability of the order to Raven's Landing application and any variances that would be required.

Response 1.2.

BCUC Order G-177-18 acts as a good template for an exemption with exceptions. RLIP agrees with the regulations that deal with safety, as in Sections 25 and 38. Section 42 protects the public by way of a mechanism to enforce orders in the event of an investigation and subsequent resolution to any complaints. We support these exceptions.

RLIP has some industrial tenants that have significant power needs that are expected to increase in the near future. For that reason RLIP may transition to BC Hydro meters to replace the current sub-meters. Should that project be viable, a Section 71 exemption would allow us to proceed with the necessary infrastructure changes without having to apply to the BCUC for permission to do so.

CEC Question 2.1.

Raven's Landing states that it does not seem necessary for the BCUC to establish rates that 'would likely' be the same. Please explain and comment on any exceptions that Raven's Landing believes could occur.

Response 2.1.

RLIP complies with the two Resale of Metered Electricity Agreements we have with BC Hydro that state: "You may not charge tenants more than the price they would have been charged if served directly by BC Hydro, as outlined in section 9.1 of the Terms and Conditions of the Electric Tariff...". It is our understanding that these agreements dictate the rates we can charge for electricity, and may supersede section of the UCA that regulates rates.

CEC Question 2.2.

Does Raven's Landing commit to be continuously consistent with BC Hydro's approved electric tariff, or does Raven's Landing expect to allow for there to be some variation? Please explain.

Response 2.2.

Quadlogic Meters Canada Inc. (QMC) reads the meters and prepares the electrical invoices in accordance with the rates in effect. Regardless of any exemption granted, or potential exceptions, RLIP has always adhered to the BC Hydro Electric Tariff in effect. There would be no change in that regard. Any variation in the rates would be at the direction of the BCUC as determined by the results of the exemption application.

CEC Question 2.3.

What form(s) of input does Raven's Landing expect for its customers to have with regard to rates, service, delivery, regulations, etc.?

Response 2.3.

The rates are determined by BC Hydro. RLIP does support the regulations within the UCA as it applies service, delivery and regulations. We would not seek exemptions that leave the customers without recourse for significant issues that could arise.

CEC Question 2.4.

How does Raven's Landing propose to resolve issues with customers regarding the resale of electricity?

Response 2.4.

Customer issues would preferably be dealt with between parties. However, failing that, our leases' refer to arbitration as an option – this would extend owned units. If a matter escalated beyond that as a resolution, the BCUC is the regulating body for complaints; an exception to Section 42 would allow the BCUC to order a resolution.

CEC Question 3.1.

Is Raven's Landing requesting the Commission to grant relief for specific 'owned units' pursuant to Section 89? Please explain.

Response 3.1.

RLIP does seek an exemption for the 'owned units' by way of Section 89. To date there has been no distinction between leased and owned units. All invoices are generated with actual usage at the applicable electrical rates for all occupants, regardless of the legal status of their occupancy.

CEC Question 3.1.1.

If yes, please provide the specific 'owned units' to which Raven's Landing is referring.

Response 3.1.1.

RLIP has provided a list of owners in its' confidential response to A-4-RLIP-IR-1, Question 2.2

CEC Question 3.2.

Please comment on how Raven's Landing would like the Commission to resolve the issue of units that cannot be included in a potential class exemption.

Response 3.2.

The mixed occupancy does pose a challenge if an exemption is not granted for the owned units. Many of the searchable exemption orders granted by the BCUC deal specifically with tenants, with only a few referring to strata corporations – none of which are wholly similar to our situation.

Of prime importance is the fact that our electrical meters read actual usage, rather than a square footage rate calculation used by many lessors; we feel this should be factored into the final decision.

A class exemption (with exceptions) is preferable, as RLIP feels it would be in the public's interest to group all of the RLIP occupants in the same 'class' (emphasis added).

Referring to BCUC Order G-121-14 the following "quoted" principles and guidelines provided guidance in determining its' exemption order with exceptions:

- i. Where regulation is required use the least amount of regulation to protect the ratepayer.
- ii. The benefits of regulation should outweigh the costs.
- iii. The form of regulation should:
 - a. provide adequate customer protection in a cost effective manner,
 - b. consider administration efficiency
 - c. consider the level of expenditure, **the number of customers** (emphasis added), the sophistication of the parties involved.....

Given the BCUC does factor in cost/benefit with respect to regulation we would request that the above principles and guidelines be considered if a class exemption is not granted.

RLIP is a small business, with limited administrative resources available. The annual public hearing, rate setting and filing processes would unduly strain that capacity.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Patterson', written in a cursive style.

Wm. Patterson
President,
Ravens Landing Industrial Park Ltd.