



BCPIAC
Public Interest Advocacy Centre

Reply to: Leigha Worth
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Ph: 604-687-3034
Our File: 7500.120

September 19, 2019

VIA E-FILING

Patrick Wruck
Commission Secretary
BC Utilities Commission
6th Floor 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck,

**Re: British Columbia Hydro and Power Authority F2020 to F2021 Revenue Requirements Application ~ Project No. 1598990
BCOAPO Information Requests on Evidentiary Update**

We represent the BC Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, Tenant Resource and Advisory Centre, and Together Against Poverty Society, known collectively in regulatory processes as "BCOAPO et al." ("BCOAPO").

Enclosed please find the BCOAPO's Information Requests on Evidentiary Update with respect to the above-noted matter.

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,
BC PUBLIC INTEREST ADVOCACY CENTRE

Original on file signed by:

Leigha Worth
Executive Director | General Counsel

Encl.

REQUESTOR NAME: BCOAPO
INFORMATION REQUEST ROUND NO: 3
TO: BRITISH COLUMBIA HYDRO & POWER
AUTHORITY
DATE: September 19, 2019
PROJECT NO: 1598990
APPLICATION NAME: BC Hydro Fiscal 2020 to Fiscal 2021
Revenue Requirements Application

**160.0 Reference: Exhibit B-11, page 1, Figure 1
Exhibit B-1, page 1-9, Figure 1-2**

160.1 In Exhibit B-1, the bill increases for F2022, F2023 and F2024 are shown as 2.2%, 0.0% and 3.2% respectively. In the Update the bill increases for the same years are reported as 2.7%, (0.3%) and 3.0%. Please explain why the bill increases for each of F2022, F2023 and F2024 have changed in the Update.

**161.0 Reference: Exhibit B-11, page 2, Appendix A, Schedule 1 and Appendix G
Exhibit B-1, Appendix A, Schedule 1**

161.1 With respect to Schedule 1 in the Update (Exhibit B-11), please provide a revised version that for F2019 includes values: i) per the last RRA, ii) as forecast in the initial Application (Exhibit B-1) and iii) per the Update (Exhibit B-11).

161.2 With respect to the response to the preceding part, please indicate where in the Update the variances between each of the values as forecast in the initial Application and as currently updated (based on actuals) are explained.

161.2.1 If no explanation has been provided, please provide one.

162.0 Reference: Exhibit B-11, page 1

162.1 Based on the Update please indicate what the rate increases would have been for F2020 and F2021 assuming the costs were allowed to flow through to rates as per the original Application and BC Hydro's approach with respect to the refund/recover of regulatory account balances remained unchanged from that in the original Application.

162.2 What adjustments were made to the refund/recovery of regulatory account balances in order that there is no change to the fiscal 2020 rates and a rate decrease of 0.99% on April 1, 2020.

163.0 Reference: Exhibit B-11, page 8 and Appendix C, pages 1-3

163.1 Appendix C, page 2 indicates that F2021 water rentals related to Heritage Energy are now forecast to be lower than in the initial Application. Is this due to the continuing dry conditions from F2019 through to F2020 as discussed on page 1 of Appendix C? In responding, please discuss BC Hydro's year over year storage capability and the extent to which the dry conditions in F2019 and F2020 impact F2020 year-end storage and, therefore, impact the level of hydro generation in F2021.

163.2 Appendix C, page 3 indicates that one of the reasons for the decrease in the F2020 and F2021 cost for IPPs and Long-Term Commitments is lower inflows for hydro-based IPPs. Do the low inflows in F2019 and F2020 impact the forecast output of hydro-based IPPs in F2021?

163.2.1 If yes, please explain why.

163.2.2 If not, what is the basis for the assumed lower inflows in F2021 for hydro-based IPPs?

164.0 Reference: Exhibit B-11, Appendix C

Preamble: Appendix C, page 3 indicates that one of the reason for the decrease in F2020 and F2021 cost for IPPs and Long-Term Commitments is: "Updates to historical average deliveries to incorporate the fiscal 2019 actual deliveries for operating projects, which resulted in a lower IPP forecast compared to the Application".

164.1 How was the output from existing IPPs forecast for each of F2020 and F2021 in the initial Application?

164.2 How/why does this forecast change based on actual F2019 performance?

165.0 Reference: Exhibit B-11, Appendix C

Preamble: It is noted (Table C-1) that the Gross Cost of Energy (i.e., before any refund/recover attributable to Deferral/Regulatory Accounts) has increased \$41.9 M in F2020 but decreased \$185.6 M in F2021.

165.1 Please explain why the Gross Energy Cost of Energy has increased in F2020 but decreased in F2021 when: i) the Cost of Heritage Energy has decreased in both years (page 2), ii) the cost of Non-Heritage Energy has decreased in both years (page 3) and iii) the cost of Market Energy has increased in both years (page 3). (Note: If this interrogatory cannot be fully responded to until after the October 18th release of the un-redacted version of the Cost of Energy, please indicate so).

**166.0 Reference: Exhibit B-11, Appendix C, page 3
Exhibit B-1, page 4-37**

166.1 For the cost of market purchases, does the Update use the same forward market prices (i.e., as of October 15, 2018) as the initial Application?

166.1.1 If yes, please explain why more updated values were not used.

166.1.2 If not, what is basis for costing market purchases and how has it changed from that used in the initial Application?

166.2 For surplus sales, have the assumptions regarding the “transfer price” paid by Powerex changed from those used in the initial Application?

166.2.1 If not, why not?

166.2.2 If yes, how have they changed and why?

167.0 Reference: Exhibit B-11, Appendix D, page 1

167.1 With respect to Table D-1, please provide a revised version that sets out the F2019 values per: i) the previous RRA, ii) the initial Application and iii) the Update (i.e., the actual results).

**168.0 Reference: Exhibit B-11, page 15; Appendix A, Schedule 1.0 and
Appendix D, page 5
Exhibit B-1, page 8-17
Exhibit B-6, AMPC 1.11.1**

168.1 Please confirm that the forecast Trade Income for each of F2020 and F2021 is \$120.6 M in the Update. If not, please reconcile with values set out in Appendices A and D.

168.2 Please confirm that the \$120.6 M forecast for F2020 and F2021 Trade Income was based on the average of the actual values for F2014 through F2018.

168.3 Please provide a schedule that sets out the actual Trade Income for the years F2015 through F2019 and the resulting 5-year average.

168.4 Why wasn't the forecast Trade Income for F2020 and F2021 revised to reflect the average of the actual results available for the most recent five years (i.e., F2015-F2019)?

169.0 Reference: Exhibit B-11, Appendix A, Schedule 15 and Appendix E, page 4

169.1 Do the updated Miscellaneous Revenues reflect the increase (per the Update) in BC Hydro's proposed OATT Rates for F2020 and F2021?

169.2 What other changes resulting from the Update affect the forecast Miscellaneous Revenues for F2020 and F2021?

170.0 Reference: Exhibit B-11, page 14 and Appendix A, Schedule 1

170.1 Apart from the impact resulting from the full implementation of IFRS 16, the Update attributes the increase in amortization to actual capital additions in F2019 being slightly higher than planned in the initial Application. If the additional increases are due to higher capital additions in F2019 please explain why the increase in amortization associated with these higher additions is \$3.3 M in F2020 but only \$1.9 M in F2021 (as opposed to being the same in both years).

171.0 Reference: Exhibit B-11, Appendix G, page 5

171.1 Table G-4 contains schedule references for each line. The line references do not reconcile with the line numbering in the Schedule 5 provided in Appendix A of either the initial Application or the Update (e.g. the references to Lines 18, 29, 30, 43, 45 or 52). Please indicate to what "Schedule" the references are referring.

172.0 Reference: Exhibit B-11, page 14; Appendix A, Schedules 7.0 and 13.0 Exhibit B-1, Appendix A, Schedule 13.0

172.1 At page 14, the Update states that "Amortization is also increasing because actual capital additions in fiscal 2019 were slightly higher than planned". However, Appendix A from the initial Application shows total planned capital additions for F2019 of \$3,749.3 M while Appendix A in the Update shows actual F2019 capital additions of \$3,553.1 M. Please reconcile the statement on page 14 of the Update with this change in values for F2019.

172.2 Based on the response, please reconcile/explain the increases in amortization of capital assets for F2020 and F2021 (per Exhibit B-11, Appendix A, Schedule 7.0) as between the initial Plan and the Update.

173.0 Exhibit B-11, Appendix G, page 9

173.1 Please provide a schedule similar to Table G-6 that sets out the planned capital additions for F2019 per the initial Application and the Update (i.e., actual capital additions for F2019).

174.0 Reference: Exhibit B-11, Appendix G, pages 10-15

174.1 Please provide a schedule similar to Table G-7 that sets out the planned Generation capital additions for F2019 per the initial Application and the Update (i.e., actual capital additions for F2019).

174.2 Please explain any variances in excess of 10%.

175.0 Reference: Exhibit B-11, Appendix G, pages 23-27

175.1 Please provide a schedule similar to Table G-11 that sets out the planned Distribution capital additions for F2019 per the initial Application and the Update (i.e., actual capital additions for F2019).

175.2 Please explain any variances in excess of 10%.