

LIDSTONE & COMPANY
BARRISTERS AND SOLICITORS

October 17, 2019

BY EMAIL

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, B.C.
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By Email

Attention: Mr. Patrick Wruck, Commission Secretary

**Re: British Columbia Utilities Commission - An Inquiry into the
Regulation of Municipal Energy Utilities - Order G-177-19 (the
"Inquiry")
Lonsdale Energy Corp.'s Intervenor Status
Our File No. 10193-194**

We are legal counsel for the City of North Vancouver (the "City") and Lonsdale Energy Corp. ("LEC") in this matter.

This letter is in reply to your letter dated October 10, 2019 requesting that LEC respond to the October 7, 2019 email from Don Flintoff in this matter by addressing the following:

"1. Whether your respective municipality's interests are substantially similar to your own such that you should coordinate as one intervener as outlined in section 10.03 of the BCUC's Rules of Practice and Procedure."

By way of background, LEC is a corporation that has obligations, responsibilities and accountability to provide a service for the City as defined in City of North Vancouver Bylaw 7575 as "the service of providing hydronic heat energy for space heating and domestic hot water ("Heating Service") and the service of providing hydronic cooling energy for space cooling ("Cooling Service") to properties with multi-family residential, commercial, institutional and industrial buildings". These are the only services LEC provides.

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This differs from the City which, through its departments provides a much broader range of services including fire protection, community planning, building permitting, affordable housing, roads, parks, facilities and services through other entities and organizations such as the Recreation and Community Centre, Library, Museum, etc. as well as utilities such as water, sewer, storm drainage and solid waste management.

Thus, not only are the services provided by LEC and the City through its departments not the same, but neither is the customer base of the respective entities (the City's tends to be municipal wide, whereas LEC's is more limited).

The terms of the Inquiry include the following:

4. The BCUC requests registered interveners provide written submissions to address the following:

1) Whether a utility affiliated, in some way, with a municipality or regional district is considered a public utility as defined by section 1 of the UCA. Forms of affiliation include, but may not be limited to:

a. The utility's assets are owned by a corporation of which the municipality or regional district is a shareholder or the sole shareholder;

LEC has the following responses to the issues raised in Mr. Flintoff's letter and the Commission's letter of October 10.

First, LEC notes that both LEC and the City were granted intervenor status in this matter on an unconditional basis. Thus, while LEC appreciates that under its Rules of Practice and Procedure (the "Rules"), the Commission may encourage and require an intervenor to coordinate with another intervenor, LEC does not understand there to be basis under the Rules upon which the Commission could, as a matter of law, require LEC and the City to coordinate "as one intervenor".

Second, LEC has confidence in the Commission process and does not believe that there is any merit to the view expressed by Mr. Flintoff that having the City and LEC as separate intervenors will, with respect to a "weighting of the evidence" make the playing field "less level", or otherwise inappropriately affect the outcome of the Inquiry.

Third, and without prejudice to the submissions that LEC and the City may make in relation to the Inquiry Order, LEC and City have some interests that

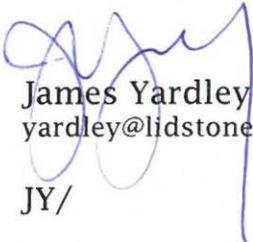
are substantially similar. However, it is also clear that the City and LEC have other interests that are not similar, and it is expected that this will be reflected in the submissions provided on behalf of each of them.

Lastly, notwithstanding the comments made above, the fact is that LEC and the City have jointly retained legal counsel to represent them in the Inquiry. Thus, as a practical matter and irrespective of any Commission direction in this regard, there will in fact be "coordination" between LEC and the City in the Inquiry.

In conclusion, LEC respectfully submits that there is no basis or rationale for it's the status of the City or LEC to be affected in this matter.

Sincerely,

LIDSTONE & COMPANY



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JY/

c. Ben Themens