



January 28, 2020

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BCUC MUNICIPAL ENERGY UTILITIES INQUIRY EXHIBIT A-7
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Re: British Columbia Utilities Commission – An Inquiry into the Regulation of Municipal Energy Utilities – Project No. 1599027 – Updated Regulatory Timetable

On January 16, 2020, the British Columbia Utilities Commission (BCUC) received submissions from interveners on further process, and notification of intent by some to file evidence. The Panel appreciates interveners' submissions to date and now moves to establish the next phase of the inquiry into the Regulation of Municipal Energy Utilities (Inquiry).

The BCUC seeks to ascertain the appropriate level of regulation required to meet the needs of stakeholders while recognizing existing oversight tools and objectives at the local government level. The Inquiry will explore issues related to ownership structures and operational arrangements of utilities affiliated with municipalities and regional districts, including the appropriate regulatory status of such organizations under the Utilities Commission Act (UCA).

As indicated in Exhibit A-1, upon the completion of this Inquiry, the Panel will consider if it is appropriate or necessary to:

- i) seek advance approval from the Government of British Columbia (BC) to offer a class of cases exemption to municipalities and regional district energy systems in certain circumstances; and/or
- ii) make a recommendation to the Government of BC to review the definition of a "public utility" within the UCA as it relates to such entities.

Updated Regulatory Timetable

The Panel recognizes that submissions on further process call for a number of changes to the proposed timetable in Order G-316-19. Order G-14-20, as attached to this letter, establishes deadlines that are intended to allow adequate time for all interveners to respond and participate effectively in this Inquiry. The updated regulatory timetable helps ensure regulatory efficiency and that a full evidentiary record can be introduced before the information request (IR) stage. As IRs are intended to complete the evidentiary record of a proceeding, producing IRs prior to the submission of evidence from all interveners would result in duplicative regulatory process by testing incomplete information.

Based on interveners' submissions on further process, it is the Panel's view that the timelines provided in the accompanying Order allows adequate time for interveners to provide their evidence.

If an intervener requires an extension to a timeline, they may make a request in writing with supporting reasons for the Panel to consider. In this instance the Panel may or may not grant additional time.

Inquiry Scope and Further Guidance

The Panel recognizes that at this stage it may be useful to provide additional guidance on a number of areas upon which the BCUC seeks further evidence. For those interveners that decide to provide further evidence, as many have signaled their intent to do so, this guidance may enable interveners to concentrate on issues of significance to the process thereby adding to its efficiency. However, the Panel notes that this list does not preclude interveners from filing any evidence that they believe is relevant and should be heard by the Panel in this Inquiry. The BCUC acknowledges that some interveners have stated that they have provided all the evidence they intend to submit at this stage but invites interveners to provide further evidence should they decide to do so.

When submitting evidence, the Panel refers interveners back to Exhibit A-1, which established the Inquiry and laid out the scope and issues that the BCUC seeks to explore. Evidence on the following areas will provide a useful insight for the BCUC to consider:

- the effectiveness of municipalities in the regulation of district energy utility services;
- benefits and risks to the public interest, including ratepayers, of a continued, expanded or removal of the municipal exclusion from the UCA;
- a critique of any policy rationale or circumstances upon which the municipal exclusion has been justified;
- the regulatory framework and jurisdiction by which municipal governments can provide district energy utility services;
- an analysis of the ownership structures outlined in Order G-177-19;
- the organizational and operating structures through which district energy utility services will be or could be delivered;
- alternatives to the current municipal exclusion under the UCA; and
- any explanation, historical reason, or rationale for the exclusion of municipalities from the definition of a “public utility”.

Information Requests between Intervenors

Intervenors that have filed written evidence should be prepared to respond to BCUC and intervenors’ IRs, pursuant to Section 14.01 of the BCUC’s Rules of Practice and Procedure. The Panel supports providing intervenors with the opportunity to test evidence alongside the BCUC.

IRs should be made only to seek information that is relevant to the scope of this Inquiry. BCUC and intervenors’ IRs can address both intervenors’ evidence provided on April 2, 2020 and intervenors’ evidence provided on October 24, 2019. To avoid any unnecessary repetition of questioning, intervenors are encouraged to review the BCUC IRs ahead of filing their own IRs.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

DB/acj
Enclosure



ORDER NUMBER
G-14-20

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Utilities Commission
An Inquiry into the Regulation of Municipal Energy Utilities

BEFORE:

T. A. Loski, Panel Chair
C. M. Brewer, Commissioner
W. M. Everett, QC, Commissioner
B. A. Magnan, Commissioner

on January 28, 2020

ORDER

WHEREAS:

- A. By Order G-177-19 dated August 1, 2019, the British Columbia Utilities Commission (BCUC) established an inquiry to examine the regulation of energy utilities affiliated with municipalities and regional districts in British Columbia (Inquiry) and established a regulatory timetable;
- B. On Thursday, October 24, 2019, intervener written submissions and letters of comment were received by the BCUC, addressing 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;
- C. By Order G-316-19 dated December 5, 2019, the BCUC amended the regulatory timetable and asked for written submissions from interveners on further process;
- D. On Thursday, January 16, 2020, intervener submissions on further process were received by the BCUC; and
- E. The BCUC has reviewed the submissions and considers that an updated regulatory timetable is warranted.

NOW THEREFORE an updated regulatory timetable is established, attached as Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of January 2020.

BY ORDER

Original signed by:

T. A. Loski
Commissioner

Attachment

British Columbia Utilities Commission
An Inquiry into the Regulation of Municipal Energy Utilities

REGULATORY TIMETABLE

Action	Date (2020)
Intervener evidence	Thursday, April 2
BCUC information requests (IRs) on intervener evidence and submissions ¹	Thursday, April 30
Intervener IRs on intervener evidence and submissions	Thursday, June 25
Intervener response to BCUC and intervener IRs	Thursday, August 20
Further process	To be determined

¹ Information Requests from the BCUC and interveners can address interveners' evidence filed on April 2, 2020 and interveners' submissions filed on October 24, 2019.