

August 14, 2020

Attn: Marija Tresoglavic, Acting Commission Secretary
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mesdames/Sirs:

Re: Project No. 1598990
BC Hydro F2020-F2021 Revenue Requirements Application (RRA)

As per Commission Letters dated July 6, 2020 and July 15, 2020, please find herein my comments on the questions raised respectively in Exhibit A-37 and Exhibit A-38.

As it concerns questions raised in Exhibit A-37, here are my comments:

- I fully support the Panel’s view that “it is necessary to take steps to realign the RRA process to address the issues of regulatory efficiency and ratepayer risk”.
- It certainly is *not* an “optimal situation” to have a decision by the Commission come so late in the test period as is the case with the current proceeding. Though I do concur with BC Hydro’s assessment that “the length of the current proceeding was associated to a significant degree with BC Hydro’s return to full regulation” along with BC Hydro’s submission that “it will be possible to reduce the length of proceedings now that the regular cycle of revenue requirements proceedings is occurring”. Further, I believe that it is possible and *desirable at this stage* to pursue efforts to align the timing and cycle of BC Hydro’s future RRA’s such that the issue of ratepayer risk is first and foremost addressed.
- On the issue of regulatory efficiency, I would support a *move (albeit gradual* - were it not for the disruptions caused by the COVID-19 pandemic) towards a three-year cycle for BC Hydro’s RRA’s recognizing that a three-year cycle would provide a better (as compared to the present two-year cycle) alignment with the regulatory principle of prospective rate setting. In addition, in the longer run, it would contribute to a lower administrative burden on the part of BC Hydro related to preparation and regulatory support for its consecutive RRA’s. As well, a three-year RRA cycle may prove beneficial going forward, to the degree that it may enable BC Hydro to “sharpen” its near term focus on the business of its customers and load, something that will perhaps become more attainable as feedback from BC Hydro’s smart-metering infrastructure makes more inroads into its load and revenue forecasting activities.

- That being said, the ramifications of the COVID-19 pandemic on the BC Hydro business and beyond, may provide a regulatory impetus to look at bite-sized, more streamlined, sharply focused RRA applications for the next fiscal year or two.
- As the Commission's Performance Based Ratemaking (PBR) process for BC Hydro is yet in its early stages, perhaps this proceeding may provide the best platform from which to produce an appropriate base year, for BC Hydro's future RRA or PBR applications as the case may be.

Regarding Commission questions contained in Exhibit A-38, I offer neither legal interpretations nor legal comments concerning section 3 of Directive 8 and its application in the context of the Utilities Commission Act (UCA); rather simply a broad perspective on what I think ought to be at the heart of a concerted effort on the matter: an imperative for all parties affecting decisions to employ as "elastic" a thought narrative as possible on the issues at hand, understanding that while the impetus maybe to "paint" much the same "picture" as the one intended when the directive was issued (February 2019), the "canvass" has now changed (since the outbreak of the COVID-19 pandemic), and dramatically so.

All of which is respectfully submitted.

Sincerely,

Edlira Gjoshe
evgconsulting@outlook.com
236-788-5293