

16 February 2021

VIA E-FILING

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



Reply to: Leigha Worth
ED@bcpiac.org
Ph: 604-687-3034
Our File: 7500.121

Dear Mr. Wruck:

**Re: British Columbia Utilities Commission – Review of British Columbia Hydro and Power Authority’s Performance Based Regulation Report – Project No. 1599045
BCOAPO et al. Submission on Process**

Please note that Ms. Mis and I continue to act on behalf of the residential ratepayer intervener group known in this regulatory proceeding as BCOAPO. In accordance with Commission Order G-324-20, we are providing submissions on further process for the above-noted regulatory proceeding. • These submissions will, as directed, address “whether the evidentiary record is sufficient and the proceeding should therefore proceed to a final argument phase, whether an oral hearing that includes concurrent expert testimony is necessary, or whether other regulatory processes would be suitable, and why”.

Is the Evidentiary Record Sufficient?

Per the BCUC’s Order G-326-19, the purpose of this review is to address the question of whether or not PBR should be implemented for BC Hydro but to do so at a high level, without getting into the details like the key principles that should inform a future PBR application and what design issues should be addressed by BC Hydro if a PBR application is made. The evidence filed to date has addressed the objectives of regulation, explained that there are different variants to both the cost of service and PBR approaches to regulation, outlined the pros and cons of each in a variety of circumstances, and the unique aspects of BC Hydro’s current mandate, governance and operating/financial circumstances that need to be considered in determining the applicability of PBR to its situation. In BCOAPO’s submission, the information and evidence on the record thus far is sufficient to inform our clients’ position on “whether PBR should be implemented” and, as such, we do not believe further discovery such as an oral hearing is required.

BCOAPO notes that, in its Supplementary Evidence, BC Hydro indicated it favours continuing with the existing cost of service regulatory framework and has also identified a number of improvements that it proposes could be made starting with its next rate application (i.e. the F2023 RRA). Just as the purpose of this proceeding is not to get into the details as to precisely how PBR would work if implemented for BC Hydro, BCOAPO submits that this is not the proceeding to determine precisely how a cost of service framework might be modified or not in the future should the Commission determine to go forward with a CoS methodology rather than a PBR. In our submission, if a CoS framework is appropriate going forward, the Commission should be open to considering improvements such as those put forward already by BC Hydro as well as any other suggestions that may be made by parties as part of their final submissions in this process.

However, any questions regarding the merits and details of any methodology should be considered and refined as part of the overall consideration of future BC Hydro revenue requirement applications.

Next Steps

Given our view that the evidentiary record is sufficient, the next steps should involve final argument or some other process by which parties can present their arguments to assist the Commission in making its determination. As the proceeding has dealt with the higher level question regarding the possible appropriateness and applicability of PBR to BC Hydro as opposed to specific details regarding how it should be implemented BCOAPO does not anticipate that submission would be either overly lengthy or complex (e.g., relying on detailed calculations).

As a result, BCOAPO does not necessarily see submission as having to be written but leaves the choice of format to the Commission.

Availability

Should the Commission decide that an oral hearing is appropriate, we would ask that the Commission take into consideration that schools are scheduling spring break for March 20th to April 6, 2021 – an important consideration when many are still working from home due to the ongoing risks posed by COVID-19 and the new, more highly transmissible variants.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

BC PUBLIC INTEREST ADVOCACY CENTRE

Leigha Worth
Executive Director | General Counsel

Irina Mis
Staff Lawyer