

31 March 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: 7700.910

Dear Mr. Wruck,

**Re: British Columbia Utilities Commission – General Cost of Capital
Project No. 1599176
BCOAPO Submission on Scope and Request to add Mr. Harper to the Distribution
List**

Please be advised that we make the following submissions regarding the scope of the above-noted hearing in accordance with the regulatory schedule set by Order G-66-21. We do so on behalf of the residential intervener group known in this regulatory process as British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, Tenants Resource and Advisory Centre, and Together Against Poverty Society ("BCOAPO et al." or "BCOAPO").

We also ask that our expert consultant, Mr. Bill Harper, be added to the distribution list for this process. Mr. Harper's email is bharper.consultant@bell.net.

BCOAPO Submissions

We have reviewed the Panel's preliminary scoping document as set out in Appendix B to Order G-66-21 (Exhibit A-3) as well as the BCUC Staff's submission on the subject (Exhibit A2-1) and we make the following submissions in response. BCOAPO generally supports the inclusion of the scoping items the Panel offered and those identified by Commission Staff. In addition, we submit the following are appropriate items to include in the scope of this hearing:

- Consideration of the relationship or linkages between the appropriate ROE and the appropriate capital structure (i.e., equity ratio);

- Consideration as to whether there should be short-term debt component for the overall debt portion of allowed capital structure and, if so,
 - whether it should be established on generic or individual utility basis; and
 - what should be the basis for the appropriate short-term debt rate?

BCOAPO's final suggested addition to the scope of this process is an issue related to the deemed interest rate methodology identified in section 3(e) in the Commission's Preliminary Scoping Document (Exhibit A-3, Appendix B, page 2 of 2) reproduced below:

- e. In certain circumstances for those utilities that require a deemed interest rate, should a methodology be established or a determination be made on a deemed interest rate and should the deemed interest rate be subject to an AAM (Interest AAM)? If warranted, the Interest AAM would be implemented for January 1, 2023. If not warranted, setting a future regulatory process on how the deemed interest would be adjusted in future years beyond December 31, 2022.

Building on that inquiry, BCOAPO also submits the following as an appropriate line of inquiry to be included in the scope of this process:

- Consideration as to the circumstances under which a deemed interest rate is required.

Should the Commission have any questions regarding these scoping items, 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

Original on file signed by

Irina Mis
Staff Lawyer