

**BRITISH COLUMBIA UTILITIES COMMISSION**  
**IN THE MATTER OF THE UTILITIES COMMISSION ACT**  
**R.S.B.C. 1996, CHAPTER 473**

**and**

**RE: British Columbia Hydro and Power Authority**  
**F2017 to F2019 Revenue Requirements Application**  
**Project No. 3698869**

**Prince George, B.C.**  
**June 13, 2016**

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**Community Input Session**

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**BEFORE:**

<b>D. Morton,</b>	<b>Chair</b>
<b>K. Keilty,</b>	<b>Commissioner</b>
<b>D. Enns,</b>	<b>Commissioner</b>

**VOLUME 3**

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**CAARS**

PRINCE GEORGE, B.C.

June 13, 2016

**(PROCEEDINGS COMMENCED 1:00 P.M.)**

THE CHAIRPERSON: Good afternoon. My name is Dave Morton and with my are commissioners Karen Keilty and Doug Enns. It's 1:00 and time for the community input session to begin. However at this time there is no one physically in attendance in the room and in addition no one has responded to us prior to the meeting to say that they would like to make a submission.

So what I'm going to do, I'm going to stand the meeting down for 15 minutes and I'll come back in 15 minutes time. And if we have anyone then we'll begin and if not I'll let you know what is going to happen. Thanks.

**(PROCEEDINGS ADJOURNED AT 1:02 P.M.)**

**(PROCEEDINGS RESUMED AT 1:15 P.M.)**

THE CHAIRPERSON: Good afternoon everyone. I'm Commissioner Dave Morton and I welcome you today to this community input session. With me are commissioners Karen Keilty on my right and Doug Enns on my left.

We are the Commission panel that is designated to hear the B.C. Hydro Revenue Requirement

1 Application which was filed on February 26 for an  
2 increase in its revenue requirement. Subsequently on  
3 March the 22<sup>nd</sup> by Order G-40-16, the Commission granted  
4 an interim rate increase of 4 percent. And you're  
5 going to hear a little bit more about that in just a  
6 couple of minutes.

7 First though I wouldd like to introduce you  
8 to some of the people in the room and I'll ask them to  
9 stand when I do introduce them. First there is Laurel  
10 Ross, acting Commission secretary. And Yolanda  
11 Domingo who is acting director of our rates  
12 department. Paul Miller is our counsel. And on  
13 Paul's right is Hal Bemister, the hearing officer.  
14 And also Keith Bemister, his assistant.

15 We are really pleased to be here today and  
16 we are here to listen to your comments and we'll get  
17 to your comments -- any comments you might have and  
18 we'll get to those shortly. But before we do so I am  
19 going to start off by asking Laurel and Yolanda to  
20 each give a short presentation. The first  
21 presentation is some general information about the  
22 commission and our processes, and the second  
23 presentation by Yolanda will be about the BC Hydro  
24 rates application, what they are applying for, and  
25 also how the Commission reviews the rates application  
26 and what that's all about.

1                   So after they are finished their  
2 presentations I would encourage you to ask questions  
3 if you have questions of the presentation. And then  
4 after that the panel will be interested in hearing any  
5 comments that you have and at that time that would be  
6 an appropriate place for that.

7                   But I'll come back and talk a bit about  
8 that after the presentations are done. So, Laurel,  
9 can you please go ahead? Thank you.

10 **PRESENTATION BY LAUREL ROSS:**

11 MS. ROSS: Thank you for coming. My name is Laurel Ross  
12 and I'm the acting Commission secretary and I'm here  
13 to provide some information on the Commission and how  
14 you can participate in Commission processes.

15                   So first of all, what is the B.C. Utilities  
16 Commission? The Commission is an independent  
17 regulatory agency of the Provincial Government and  
18 it's comprised of full and part-time commissioners  
19 appointed by the Lieutenant Governor in Council.

20                   The Commission has a mandate to regulate  
21 energy utilities as well as ICBC's universal  
22 compulsory automobile insurance. The Commission's  
23 mandate, duties and decision-making powers are  
24 governed by the *Utilities Commission Act* as well as  
25 and other Acts, regulations and special directions.

26                   I thought it would be helpful to go through

1           some terms that are used frequently throughout  
2           Commission proceedings, and these terms will come up  
3           throughout the session today. So I'll just provide a  
4           bit of background on each one.

5                         First of all, Commission proceeding. This  
6           refers to the full process beginning to end to decide  
7           a matter before the Commission. For example, there is  
8           currently a proceeding for the review of the B.C.  
9           Hydro F2017-2019 revenue requirements. And my  
10          colleague Yolanda Domingo will speak to that  
11          proceeding after my presentation.

12 MS. GIESBRECHT: I'm sorry, could you repeat that, just  
13          that little part one more time?

14 MS. ROSS: The name of the proceeding?

15 MS. GIESBRECHT: Yes.

16 MS. ROSS: It's the B.C. Hydro --

17 MS. GIESBRECHT: Yes.

18 MS. ROSS: -- F2017 --

19 MS. GIESBRECHT: F2017, thank you.

20 MS. ROSS: -- to 2019 --

21 MS. GIESBRECHT: To 2019.

22 MS. ROSS: -- revenue requirements application.

23 MS. GIESBRECHT: Okay. Go on, thank you.

24 MS. ROSS: You're welcome.

25                         Next I wanted to touch on the evidentiary  
26          record. This refers to all documents that are filed

1 in connection with a proceeding and it forms the  
2 evidence that will be heard by the Commission panel in  
3 making their final decisions. It includes documents  
4 such as the application, information requests,  
5 submissions, argument, as well transcripts of certain  
6 oral components may be included on the record and  
7 specifically the transcript for today's session will  
8 form part of the evidentiary record.

9 Yes?

10 MS. GIESBRECHT: (OFF MICROPHONE) Will we be able to  
11 (inaudible) after the session?

12 MS. ROSS: Yes. The transcript will be posted to the  
13 proceeding webpage, and at the end of my presentation  
14 I'll provide a link to that webpage. Yes, so you can  
15 also find any other documents filed on the public  
16 record in connection with that proceeding.

17 THE CHAIRPERSON: And also, excuse me, if I could just  
18 add if you would like copies of the slides that you  
19 are about to see here, they are available at the back  
20 of the room, hard copies of these presentations.

21 MS. GIESBRECHT: Thank you.

22 THE CHAIRPERSON: Okay.

23 MS. ROSS: And lastly I wanted to touch on the regulatory  
24 timetable. This refers to the full schedule  
25 established by the Commission panel of dates and  
26 deadlines for a proceeding. So it may include dates

1 for certain hearing components as well as any filing  
2 deadlines for items such as information requests or  
3 argument.

4 Next I wanted to go through some of the  
5 roles that you'll see from the Commission throughout  
6 proceedings.

7 First of all, the Commission panel. So  
8 typically a panel of Commissioners are assigned to a  
9 specific proceeding. So in this instance you've been  
10 introduced to the panel assigned to hear the B.C.  
11 Hydro F2017-2019 Revenue Requirements Application  
12 proceeding. They're responsible for establishing the  
13 regulatory review process and they hear the evidence  
14 in order to arrive at the necessary decisions.

15 Commission staff also play an important  
16 role. Typically cross-disciplinary teams are formed  
17 for specific proceedings and they insure sufficient  
18 information is collected and may provide technical  
19 advice to the panel.

20 And Commission counsel. Commission counsel  
21 assists the panel on legal issues and in the event of  
22 an oral hearing they will cross-examine on behalf of  
23 Commission staff.

24 Next I wanted to go through some ways that  
25 members of the public can participate in Commission  
26 proceedings.

1                   So, first Letters of Comment. Letters of  
2 comment are intended to provide for any member of the  
3 public to contribute views, opinions, impact or  
4 potential impact with respect to a matter before the  
5 Commission to the record.

6                   These letters of comment must be submitted  
7 using the Letter of Comment Form, which is available  
8 on the commission website, and submitted top the  
9 commission secretary.

10                  Next I wanted to discuss Interested Party  
11 Status. So for any individuals that do not expect to  
12 actively participate but wish to receive e-mail  
13 notification of all documents filed as part of a  
14 proceeding should register with the commission as an  
15 interested party. Interested parties may file letters  
16 of comment bit they cannot otherwise participate in a  
17 proceeding, specifically they don't have the same  
18 participation rights as interveners.

19                  And lastly, Intervener Status. So  
20 individuals or organizations that expect to actively  
21 participate in a proceeding they should register with  
22 the Commission as an intervener. Intervenors are  
23 expected to actively participate and adhere to the  
24 established regulatory timetable. Active  
25 participation means filing information requests,  
26 argument, attending hearings, or cross-examining or



1           being cross-examined.

2                         In order to make a request for intervener  
3 status you must complete and submit the Request to  
4 Intervene form in accordance with the filing deadline  
5 set in the regulatory timetable for the proceeding.  
6 And there are a few things that those requesting that  
7 status must demonstrate to the Commission.

8                         Those parties requesting intervener status  
9 must demonstrate that they are either directly or  
10 sufficiently affected by the Commission decision or  
11 that they have experience, information or expertise  
12 that would contribute to the Commission's decision-  
13 making.

14                         In addition the request must include a list  
15 of key issues that you intend to pursue as part of the  
16 proceeding. The Commission panel will make the final  
17 decision as to whether or not to accept an individual  
18 or organization as an intervener.

19                         I also wanted to touch on privacy matters  
20 when participating in a proceeding before the  
21 Commission. So when registering to participate in a  
22 matter before the Commission, the collection and  
23 publication of personal information is authorized  
24 under certain sections of the *Freedom of Information*  
25 *and Protection of Privacy Act* and I've included the  
26 sections up on the slide here.

1                   What that means, by submitting a request to  
2                   intervene you're consenting to the use and display of  
3                   your personal information in that public proceeding.  
4                   And for interested parties and those submitting  
5                   letters of comment, the name and contact information  
6                   is included on the evidentiary record, however we only  
7                   publish names on the public website.

8                   And to finish off I wanted to provide some  
9                   links to specific pages on our website. I've included  
10                  the full address of the BCUC website on the slide, and  
11                  on the main page you'll see a link to the Commission's  
12                  rules of practice and procedure which touch on quite a  
13                  few of the items I've discussed today.

14                  In addition, as I mentioned earlier, there  
15                  is a proceeding webpage which has all public documents  
16                  filed in connection with the B.C. Hydro F2017-2019  
17                  Revenue Requirements Application proceeding. And we  
18                  also have a participate in a proceeding webpage, which  
19                  includes a lot of the forms that I've mentioned today  
20                  as well as additional information on how you can  
21                  participate in a matter before the Commission.

22                  In addition I've included the contact  
23                  information on the slides. So if you have any  
24                  additional questions after the session on how to  
25                  participate in Commission proceedings or any  
26                  procedural matters I've included the e-mail address

1 for Commission secretary as well as our phone number  
2 and mailing address.

3 And that concludes my presentation. Are  
4 there any questions on specific presentation or how  
5 you can participate in a matter before the Commission?

6 If not, then I'll turn the floor over to my  
7 colleague Yolanda Domingo.

8 MS. DOMINGO: Thank you. So I will just try to find my  
9 presentation here.

10 **PRESENTATION BY MS. DOMINGO:**

11 So, hello again, everyone, my name is  
12 Yolanda Domingo, I am the acting director of the rates  
13 group. I just wanted to say we are a very small  
14 organization and we haven't had too much opportunity  
15 to come out and do a lot of community engagement,  
16 stakeholder engagement and so this is an opportunity  
17 for the Commission to engage with the public to hear  
18 what you have to say. It is a chance for the  
19 communities in B.C. to tell us what you are concerned  
20 about. So this is your opportunity to voice your  
21 concerns to the panel and we're very happy to share  
22 this experience with us.

23 So before we talk specifically about the  
24 B.C. Hydro application I wanted to give you a little  
25 bit of insight into the rate setting processes of the  
26 Commission.

1                   So, previously Laurel has talked about the  
2                   *Utilities Commission Act*, that's the piece of  
3                   legislation which governs our jurisdiction. That is  
4                   what the Commission is empowered by government to  
5                   carry out.

6                   So here are a few sections of that  
7                   legislation which are relevant to what we are going to  
8                   be talking about today.

9                   So, Section 59 governs the rate setting  
10                  powers of the Commission. And here it says:

11                  "A public utility must not make, demand or  
12                  receive [a rate] that is...unjust,  
13                  unreasonable, unduly discriminatory, or  
14                  unduly preferential."

15                  So what does unjust or unreasonable mean? Well  
16                  another way to look at it is, a rate must be fair and  
17                  reasonable for the type of service that is being  
18                  provided. And so we could say that the definitions or  
19                  interpretations of a fair and reasonable rate is quite  
20                  broad. So, usually it requires a lot of judgment, in  
21                  addition to an evaluation of the detailed evidence  
22                  that may be filed or that is contained within the  
23                  application. And the determination of whether a rate  
24                  is just or reasonable lies solely in the hands of the  
25                  Commission panel before you.

26                  So therefore, this panel's duty is to hear

1 all of the evidence and have a full review of the  
2 application and all the submissions before any  
3 judgments or determinations may be made. And so they  
4 cannot prejudge any content, interpretations of that  
5 application.

6 So while they are here to listen to you  
7 today, they may not be able to comment on your  
8 questions or submissions at this time. Doing so would  
9 make the process biased or may violate the procedural  
10 fairness at this time.

11 Another section of the Act that is  
12 relatively important, is section 45 and this governs  
13 what we call a "Certificate of Public Convenience and  
14 Necessity" and what that is really is just a fancy  
15 word for capital project pre-approvals. So, the  
16 Commission does not usually grant pre-approvals for  
17 every single capital spending that a utility spends  
18 money on. For example if B.C. Hydro were to spend  
19 \$100 on office supplies or pencils, or even a million  
20 dollars on service trucks, they don't necessarily  
21 require preapproval, because to do so for every small  
22 dollar of spending would be extremely inefficient and  
23 extremely costly for ratepayers because the cost of  
24 regulation, so that is the cost for commissioners,  
25 commission staff, commission counsel, the cost of  
26 regulation also becomes a cost item that goes into the

1 rates.

2 So therefore there's usually a certain  
3 dollar limit for any large capital projects that do  
4 require the Commission's scrutiny and oversight, in  
5 order to grant that pre-approval. Again similar to a  
6 rates application, a certificate of public convenience  
7 and necessity, those applications are usually meant  
8 for large capital expenditures, and again, the  
9 Commission has to go through a full review of the  
10 application and the contents before any determinations  
11 are made. However, once a certificate is granted, the  
12 utility is allowed to collect the reasonably incurred  
13 costs for that project into rates.

14 Another important item to note, is that  
15 even though these are the powers of the Commission,  
16 these powers can be truncated by specific directions  
17 from the provincial government. As an example there  
18 have been previously a number of B.C. Hydro capital  
19 projects that have been directed by the provincial  
20 government which bypasses the Commission's normal  
21 review processes. And I will give you some more  
22 examples of that later on.

23 So hopefully this isn't too overwhelming at  
24 this point. There is a lot of legal jargon, different  
25 sections of the Act I am pointing to, but the intent  
26 of showing you these relevant pieces of legislation is

1 to let you know that the regulatory process is highly  
2 complex. It encompasses a large degree of processes  
3 and enactments and sometimes even interpretations of  
4 the powers that are granted to the Commission.

5 So, for example we do get a lot of calls  
6 from concerned citizens of the province that let us  
7 know that they simply just don't want rates to  
8 increase. And we understand that, I get it, nobody  
9 wants their rates to just simply be increased. But I  
10 do respect the fact that there are fair and  
11 transparent process in place to look after the public  
12 interest, and there certainly are many issues that the  
13 panel must take into consideration as they adjudicate  
14 that process.

15 So then you might ask how do rates get  
16 established then? Well, at a high level utilities  
17 need to apply to the Commission to make any kind of  
18 rate adjustment. Whether it's an increase or decrease  
19 in the rates, they simply cannot do this arbitrarily.  
20 So, by that definition, the approved rates, or the  
21 only posted rates, are the only rates that the utility  
22 is allowed to charge to its customers. So during the  
23 rate setting process utilities are allowed to recover  
24 their prudently incurred costs of providing safe and  
25 reliable service plus a percentage that is allowed as  
26 an earned return for their invested capital assets.

1                   The concept is relatively simply, but the  
2                   application of that concept is fairly complex. That  
3                   is because large utilities, large public utilities  
4                   like B.C. Hydro, they have a large number of various  
5                   line items that add up to their total cost of doing  
6                   business.

7                   So just to give you some examples: The  
8                   largest cost item are generally the cost of energy, so  
9                   this could include the physical generation of  
10                  electricity; sometimes the purchase of electricity  
11                  from various external sources. There is also the  
12                  transmission of that electricity from the generating  
13                  station to local substations. There is also the  
14                  distribution of that electricity from the substation  
15                  to your home. There is the transformation of that  
16                  electricity to make it safe for your home. There's  
17                  the cost of answering calls customers make inquiries  
18                  about their bill. There is upgrades of dams and other  
19                  infrastructure other capital items. There is also the  
20                  depreciation of those physical assets which make up  
21                  usually a large component of B.C. Hydro's costs; and  
22                  of course there is regulatory cost, as I've mentioned  
23                  previously mentioned.

24                  So all of these costs add up to what we  
25                  call the revenue requirement. Essentially it is the  
26                  total bucket of costs that is required to provide



1 customers in the service area with safe, reliable  
2 service.

3 The other main component of a revenue  
4 requirement application is the load forecast. So for  
5 example, if there is a forecast increase in the  
6 expected customer demand for electricity, then there  
7 could be an increase cost associated to meet that  
8 load. But there is also an opportunity to sell more  
9 units of energy, and so there is additional revenue.  
10 And, if the forecast revenues coming in are smaller  
11 then the utility's costs of doing business, then  
12 that's what we call a revenue deficiency, that also  
13 means that all rates would have to increase in order  
14 to make up that difference.

15 So, just as it is important to understand  
16 what a revenue requirement application is, it is also  
17 equally important to understand what it is not. So,  
18 at this point I could probably point out that the  
19 revenue requirement application is not the same thing  
20 as a rate design application.

21 So, a rate design application from B.C.  
22 Hydro is currently underway, and it is currently being  
23 reviewed by a different Commission panel. That  
24 application looks at whether each class of customers,  
25 for example, residential, commercial or industrial  
26 class of customers are recovering their fair share of

1 the cost that they are incurring on the system. And  
2 that application, that is the rate design application,  
3 also looks at the different components of the rates,  
4 so it looks at whether the basic charge or the energy  
5 charge is sufficient.

6 So, as we talk about this big bucket of  
7 cost of doing business that the Commission must  
8 review, there are also a number of costs that the  
9 Commission may not review. These come to us as a  
10 number of directions that are passed through Cabinet,  
11 and ultimately issued to the Commission in terms of  
12 our regulatory oversight of B.C. Hydro. And this  
13 limits certain powers of the Commission. So, more  
14 recently, it is the *Clean Energy Act*, I believe that  
15 was 2012, and also Direction No. 7 which was passed  
16 and approved by Cabinet on March the 5<sup>th</sup> of 2014. Do  
17 we have a question in the front?

18 MS. GIESBRECHT: I was just curious to know, if I can, do  
19 we know the reason why these items have been accepted?

20 MS. DOMINGO: Mr. Miller?

21 MR. MILLER: Mr. Chair, may I answer?

22 THE CHAIRPERSON: Yes, please go ahead, Mr. Miller.

23 MR. MILLER: It may well be in answer. The Utilities  
24 Commission just gets directions issued to them, and  
25 legislation is passed and then we are alerted to it.  
26 So, it may well be answered in the speeches amongst

1 members, but I am not sure why.

2 MS. DOMINGO: So, if we talk about the *Clean Energy Act*,  
3 and also Direction No. 7, there are a number of  
4 directives there, pinpointed to the Commission.

5 One of the more interesting pieces we've  
6 referred to as the "exempt projects." And here are an  
7 example of some of those projects. These projects  
8 have been mandated by the government to bypass the  
9 Commission's normal regulatory review processes. In  
10 addition to that, the Commission has also been ordered  
11 that it must allow B.C. Hydro to fully recover the  
12 costs that have been, or will be expected to be  
13 incurred with respect to these and any other projects  
14 that have been specifically identified. So, if we  
15 take all of that into consideration, what that means  
16 is that these and other specifically identified  
17 projects are not within the scope of this upcoming  
18 revenue requirements application from B.C. Hydro. The  
19 Commission does not have any discretion to review the  
20 costs or disallow any portion of the costs related to  
21 these projects.

22 So, let's now take a look at what we have  
23 in terms of the application for the B.C. Hydro fiscal  
24 2017 and 2019 revenue requirements application. So,  
25 as Commission Chair had said earlier, the preliminary  
26 application was filed on February 26. This is a bit

1 of a unique situation we are currently dealing with,  
2 because you don't actually have a fulsome application  
3 from B.C. Hydro that is before the commission. So,  
4 under normal circumstances B.C. Hydro would file a  
5 full application by the end of February, so that they  
6 can get rates put into place, at least on an interim  
7 basis for their start of their fiscal period which is  
8 April the 1<sup>st</sup>. However, in this case, and so far today  
9 we only have a preliminary application.

10 The reason why B.C. Hydro did not file a  
11 full application at this point from what we understand  
12 from the first page of their application, we  
13 understand that there have been a number of economic  
14 and fiscal decisions that have been made or expected  
15 to be made by the provincial government that will  
16 impact B.C. Hydro's costs, and also their load  
17 forecasts for the upcoming fiscal period. And so  
18 therefore, B.C. Hydro has indicated to us that they  
19 would need to wait for that additional information  
20 before they can put a fulsome application together.  
21 And we do expect that to be filed later on in the  
22 summer, likely the very last week of July is what we  
23 expect.

24 And after the application is filed, the  
25 Commission will then determine the appropriate  
26 regulatory review process. At that time, that is when

1 parties can register as interveners or interested  
2 parties to assist in the review of the application, so  
3 the regulatory review process has not been established  
4 at this time. It could range from a short written  
5 review process to a longer oral process possibly.  
6 But, that will be decided after the application is  
7 filed, and we may have a chance to hear from parties.  
8 Parties may be asked to make a submission on what is  
9 the appropriate review, or the Commission panel may  
10 hold a procedural conference to make that  
11 determination.

12 In the regulatory review process, the  
13 utility provides the bulk of the evidence. So, the  
14 onus is on the applicant to provide sufficient  
15 evidence to convince this panel that their evidence is  
16 thorough, it makes sense, it is complete, it is  
17 fulsome, it is free of errors. So, they need to  
18 justify that the applied for costs are prudent and  
19 reasonable.

20 In addition to the utility providing  
21 evidence interveners may also provide their own  
22 evidence, counter-evidence, but if you do then that  
23 that evidence that you provide may also be examined by  
24 other participants in the proceeding and also  
25 Commission staff as well.

26 Now as we've mentioned before there is a 4

1       percent interim rate increase that has been approved  
2       for April 1<sup>st</sup> of 2016. Now the general rule is that  
3       any rate application must be filed at least 30 days  
4       prior to the effective date, and that's what Hydro has  
5       done.

6                So ratepayers should know that although the  
7       interim rate approval is subject to refund or  
8       readjustment after the commission has gone through a  
9       thorough review of the application and all of the  
10      evidence that's going to be presented during that  
11      proceeding and based on the preliminary information  
12      that we did have and also in consideration of the rate  
13      caps for BC Hydro that has been set by the government,  
14      a 4 percent increase was approved to be reasonable for  
15      April 1<sup>st</sup>, again on an interim and refundable basis.

16              So rate caps. Now Direction No. 7, that's  
17      been issued to us, has also established certain  
18      maximum rate increases for the next number of fiscal  
19      periods. That's set at 4 percent in fiscal 2017, 3.5  
20      percent in fiscal 2018, and another 3 percent in  
21      fiscal 2019.

22              In that same direction the government also  
23      indicated that if B.C. Hydro's forecast or necessary  
24      rate change exceeds the caps that are presented here,  
25      the Commission must order BC Hydro to defer those  
26      costs into their rate smoothing deferral account.

1                   And so from the preliminary application,  
2                   what we do know is that BC Hydro has indicated that if  
3                   the rate caps were not in place, their forecast  
4                   increase in fiscal 2017 is actually closer to 9.7  
5                   percent.

6                   There are other directives in that  
7                   Direction No. 7, as well. For example is Section 4  
8                   it's been indicated to us that the Commission that it  
9                   must ensure that the rates that are approved allow BC  
10                  Hydro to collect sufficient revenue to enable it to  
11                  provide reliable service and also to meet all of its  
12                  debt service, tax, and other financial obligations as  
13                  well.

14                  So in terms of looking at a 4 percent  
15                  increase, what does this look like on a typical  
16                  residential bill? So if we take last year's unit  
17                  charges that are on the residential bill and we  
18                  increment that by 4 percent is what we get in this  
19                  slide here. We get all the rates that are on that  
20                  right-hand column. And of course there is also a 5  
21                  percent rate rider, that's on top of the total of the  
22                  basic charge and plus the energy charge.

23                  And here's a sample bill that shows exactly  
24                  that. So all the unit costs that are showed on that  
25                  sample bill is equivalent to the 5 percent increase.  
26                  So this is what we will typically be seeing. Not the

1 typical total charge but just the unit rates that  
2 you'll be seeing on your residential bill starting  
3 April 1<sup>st</sup> of this year.

4 So in conclusion, the intent of this  
5 presentation is to give you a greater appreciation for  
6 the Commission regulatory processes and also to inform  
7 you a little bit about the scope of what we expect to  
8 review in the upcoming revenue requirement application  
9 from BC Hydro. So at this time if you have any  
10 questions about any content that I've previously  
11 discussed I would welcome that before we go into other  
12 discussions.

13 MS. GIESBRECHT: I'm afraid to ask a question just because  
14 I don't want to ask a question our of context. I'm  
15 here because I am worried and concerned for the rates  
16 and the irresponsible spending of my tax dollars by BC  
17 Hydro. So I don't want to offend or upset anybody. I  
18 don't want to get tossed out, I just -- I'd just like  
19 to be able to ask the questions at the appropriate  
20 times and I'm not always good at that.

21 CHAIRPERSON: If I could just -- sorry, to interrupt but  
22 if we could, just at this point if you have any  
23 questions about any of the material on any of the  
24 slides you've just seen, this would be the place to  
25 ask it.

26 MS. GIESBRECHT: Well I saw a picture of a hydro bill and



1 I have concerns about how my tax dollars are being  
2 spent. I don't know that this is the right time to  
3 ask questions.

4 MR. MILLER: Mr. Chair it sounds like she should perhaps  
5 save her comments for this time and then do it during  
6 the presentation stage after your next opening  
7 comments.

8 CHAIRPERSON: That would be better, yes.

9 MS. GIESBRECHT: I'm here with full respect for the  
10 Utilities Commission.

11 CHAIRPERSON: If you'll just hold on one moment then we  
12 will get to you. Okay, thank you.

13 So thank you very much Laurel and Yolanda  
14 for those interesting presentations. I appreciate it.  
15 And before we move on, I'd just like to explain what  
16 the next phase of our get together here is intended to  
17 be for and it's intended for you to make any  
18 submission that you would like to make, and that would  
19 include a submission of concern about something, if  
20 you would like to point something out to the panel and  
21 anything at all. The only restriction being that we  
22 would ask that it be kept within the scope or the  
23 context of what you've just heard.

24 So you've heard Yolanda explain what the  
25 scope of the application is, what things the  
26 commission can determine and what are outside the

1 jurisdiction of issues that we can look at. If you  
2 have comments on those issues that are within our  
3 jurisdiction we're more than happy to hear them.

4 I'd like to point out that what you saw  
5 will be put on the record. It's recorded, it will be  
6 on the record and it will be available for anyone to  
7 see and it's certainly something the panel is prepared  
8 to look at when it makes its decision.

9 Similarly if you do not want to speak now  
10 or if you do speak now and there is something else you  
11 would like to say later, Laurel has explained how you  
12 can participate in the proceeding. You could write a  
13 letter of comment later that would be added to the  
14 record or you could take a more participatory role, if  
15 that's what you chose.

16 So for now if you have something that you  
17 would like to say to the panel we are more than happy  
18 to listen, if anyone has something to say.

19 MS. DOMINGO: I believe we have one party that's  
20 registered to make a statement. I believe Mr. John  
21 Ronan. Would you like to --

22 MR. RONAN: That would be me.

23 MS. DOMINGO: Yeah, would you like to come up to the mic?

24 MR. RONAN: I can speak, well. My name is John Ronan.

25 CHAIRPERSON: Thanks John.

26 MR. RONAN: It's wonderful to be here. Not really. So

1 BC Hydro wants to increase the rates by 4 percent.  
2 Tell me when was the last time you guys all had a pay  
3 raise? When was the last time Christy Clark had a pay  
4 raise? She's been getting 5 percent a year for the  
5 last decade. Her medical is paid for, her dental is  
6 paid for. She gets holiday pay, she gets statutory  
7 pay. I get none of this.

8 Where does this stuff come from? It comes  
9 from taxpayers. Yet the government, the Liberal  
10 government has been raiding BC Hydro for money to prop  
11 up government. In my opinion this is taxation without  
12 representation. If it isn't illegal it should be  
13 illegal. You're all political appointees, you all  
14 work for the government, you get paid by the  
15 government. If you go against their decisions you put  
16 your positions in jeopardy. So you can't rock the  
17 boat and tell them where to get off.

18 Some of us don't have all these pensions  
19 and benefits. We have to pay for them out of our own  
20 pocket. I am trying to be shut down by flipping  
21 federal government. They've seized my bank accounts.  
22 You know, I have to pay my bills, yet apparently  
23 government, BC Hydro, doesn't have to.

24 These hidden accounts, these secret  
25 meetings -- differed accounts, that's what they're  
26 called. They're not being paid off. The interest is

1           being paid off and they're saying that the operational  
2           budget is being taken care of but we're still running  
3           up more deficits because we're not taking care of the  
4           principle for all these projects.

5                            People who run BC Hydro are all political  
6           appointees.

7   MS. GIESBRECHT:    Except those that own it, and that's us.

8   MR. RONAN:        So they're beholden to the Liberal  
9           government. Not to government but to the Liberal  
10          government, a political party that feels it necessary  
11          that they have to top up the premiere's pay packet  
12          because she's not getting paid enough at \$350,000.

13                       Fair and reasonable, eh? When was the last  
14          time I had a raise? When was the last time you had a  
15          raise? Is that fair that my rates should be going up  
16          year after year? Everything going up? Everything  
17          going up including my city taxes and my federal taxes.  
18          You know? My rates don't go up. I lose money when my  
19          rates go up. I'm self employed. I'm not an employee.  
20          I'm not a contract worker. I'm just an ordinary --  
21          just the world's smallest business. Except the  
22          federal government seems to want to jump at me and  
23          provincial government, well they've got their head in  
24          the clouds.

25                        So I talked about political interference.  
26          They've set your mandate, so you're beholden to them.

1 But I'm asking you that if you have any influence with  
2 these political masters that perhaps that they should  
3 take a pay decrease equal to the rate increase that  
4 they're asking for. See what that gets you.

5 I don't know. I'm sure I have more to say.  
6 Paying fines. Let us remember the Powerex generation  
7 got fine \$1 billion. They plead guilty to it just a  
8 few short years ago and that came out of our rates.  
9 That's politically directed. That's the Liberal party  
10 who were directing Powerex to sell power to California  
11 at obscene rates, obscene profit rates and then the US  
12 government, well they're a little bigger than BC Hydro  
13 and our provincial government, so they say naughty,  
14 naughty and they fined us a billion dollars.

15 Did the provincial government ever talk  
16 about them losing all these -- that's only one lawsuit  
17 that, you know, there's one for the Uranium mining  
18 company, \$150 million. Where does this money come  
19 from? It comes from you and me. But if they're going  
20 to increase the rates for BC Hydro they're only going  
21 after the Hydro ratepayers. They're not going after  
22 all taxpayers and sharing the balance equally and  
23 politicians do not sell -- do not pay their fair share  
24 of taxes because they get so many freebies. Obscene  
25 freebies, which is why a lot of people are pissed off  
26 with the system.

1                   I ran for federal parliament two elections  
2           ago. You know, the problem is the political party  
3           system. The problem is the Westminster parliament  
4           system. The will to change it. No let's enshrine  
5           French and give them equal rights.

6 CHAIRPERSON:    Mr. Ronan can we please keep focused on BC  
7           Hydro's application.

8 MR. RONAN:      Yes, you're right.

9 CHAIRPERSON:    Thank you.

10 MR. RONAN:     And I've said my piece and thank you for your  
11           humour and I'm glad I didn't get killed.

12 CHAIRPERSON:    Okay thank you Mr. Ronan.

13 MS. GIESBRECHT: Thank you. I came from William's Lake.  
14           I had to move out of my community in Mission because  
15           the radio frequencies were so strong I couldn't live  
16           with the headaches and the insomnia anymore. I'm here  
17           today because of the money situation with BC Hydro.

18                   There are many people in this province who  
19           are being forced -- they are now being forced to  
20           either buy food for their children or pay their hydro  
21           bill. And if they're short, it only takes a couple of  
22           months and it adds up fast.

23                   BC Hydro now has the power to flip a switch  
24           and they have done so more so in the last few years  
25           since the smart meter program was introduced than they  
26           ever have. People are being forced to live without

1 power, try to find a way to feed their children, keep  
2 them warm at night, help them do their homework by  
3 candlelight and now they're talking about raising  
4 these rates again? When people can't even scrape  
5 enough money together to pay their bill?

6 It breaks my heart because as licensed  
7 daycare provider in this province, and an employee of  
8 the provincial government, I see a lot of single  
9 parents and it just breaks my heart and there's no  
10 fairness to these people.

11 There's a lot of irresponsible and careless  
12 spending on the behalf of BC Hydro and what they're  
13 doing. May I please comment further? Would that be  
14 okay, appropriate? I just don't want to offend or  
15 upset anybody. Is it okay?

16 BC Hydro installed an analog meter on my  
17 home in Mission last summer, but unfortunately it was  
18 too little too late. I had to move and relocate to  
19 Williams Lake. Gone are the headaches and the  
20 insomnia, but never will be gone my fight to have  
21 these things justified and removed, and the careless  
22 spending that is surrounding this smart meter program.

23 They pull 88,000 meters off of homes in  
24 California because those meters have a short lifespan.  
25 They bring them up here and they start shoving them on  
26 homes and forcing them into people's lives and

1 charging us between three and five hundred dollars for  
2 each meter.

3 BC Hydro has -- I believe it's the liberal  
4 government, my apologies, has exempted the BC  
5 Utilities Commission from the *Clean Energy Act*. I am  
6 aware that the position of the BC Utilities Commission  
7 -- they were put together by the former Bill Bennett,  
8 who, God rest his should and my he rest in peace,  
9 passed away a few months ago. They were put in place  
10 to keep rates from sky rocketing and from corruption  
11 and whatnot happening in these Crown corporations and  
12 within -- so that life is more fair, so to speak, for  
13 the B.C. taxpayers.

14 You have people being forced, and I was one  
15 of them, to pay what is called the legacy meter  
16 reading fee. But every month my fee was different,  
17 yet BC Hydro wouldn't tell me why. They wouldn't  
18 explain where all the money is, the millions of  
19 dollars they promised every single one of us that they  
20 were going to save with these smart meters for they  
21 could nail the people that have grow-ops. I'd like to  
22 see BC Hydro be held accountable for that because they  
23 won't and they haven't showed any millions of dollars  
24 that they keep bragging about spending -- or, sorry,  
25 about saving.

26 I was charged the legacy meter reading fee



1 as were many people in this province, I believe  
2 there's 70,000 of us that don't want these meters and  
3 that's okay. Why are the people that don't want these  
4 meters that are paying the legacy meter reading fees  
5 and the failed installation fees, *et cetera*, why are  
6 they force to pay those fees when you have people in  
7 rural communities in this province that have to have  
8 their smart meters read manually by BC Hydro staff  
9 because these meters are too far apart they don't work  
10 properly, they can't connect to each other like they  
11 do in communities and subdivisions where everybody's  
12 living, marinating, in a sea of radiation.

13 And we choose to have these devices, we  
14 choose to have cell phones, we choose to have an iPad.  
15 Okay? We choose to have Wi-Fi routers, baby monitors,  
16 microwaves. The BC Hydro smart meters are not a  
17 choice. They're not a fair choice for anybody. And  
18 there's a lot of people in this province that are  
19 suffering financially and physically because of these  
20 meters.

21 My concern today is the fact that BC Hydro  
22 continues to run amok in our province while the BC  
23 Utilities Commission who was put in place to stop this  
24 corruption and bullying of the B.C. taxpayers are  
25 sitting back and doing nothing.

26 I apologize if this is out of line, forgive

1 me. But these are questions that I have had inside of  
2 me for three and a half years. Thank you.

3 THE CHAIRPERSON: Thank you. Just a couple of comments  
4 on what you've said.

5 Your comments about people not being able  
6 to afford to pay their Hydro bills, I just want to  
7 make you aware that there is a proceeding, a different  
8 proceeding before the commission right now, it's  
9 called the BC Hydro rate design hearing, and I think  
10 you heard Yolanda talk about that a little while ago.  
11 And one of the issues in that proceeding is the issue  
12 of subsidization of Hydro rates for low-income people.

13 If it is a topic of interest to you, you  
14 may want to take a look and follow that proceeding,  
15 and I think that Laurel would be able to help you do  
16 that.

17 MS. GIESBRECHT: And as well was the seniors citizens in  
18 our province. They're all fixed income as well.

19 THE CHAIRPERSON: Correct. And in fact it's an  
20 intervener organization that works on behalf of  
21 seniors living in a fixed income that is bringing that  
22 issue before the Commission and it is an issue that  
23 the Commission will be looking at.

24 MS. GIESBRECHT: Sir, I know that there are families that  
25 -- to me I think they should also be considered. They  
26 are -- you know, where the mom and dad are together

1           and you've got the family unit, say a mom and dad and  
2           three children.

3   THE CHAIRPERSON:    Mm-hmm.

4   MS. GIESBRECHT:    Well, what if the parents don't make  
5           seventy or eighty thousand dollars a year and upwards  
6           like a lot of the other people in our province that  
7           worked through the Liberal government and whatnot,  
8           make. They don't earn the kind of money that a lot of  
9           people in our province do. And they're barely making  
10          ends meet.

11                       And how -- what percentage, is there any  
12          way someone can tell me the percentage that the rates  
13          of BC Hydro's have gone up just in the last five  
14          years? Percentage?

15   THE CHAIRPERSON:    Yoldana? Yes, thank you.

16   DOMINGO:           Yes, we do have some information on that, and  
17           that's taken from the province's 10-year plan. I  
18           don't think I can go back five years, I can go back at  
19           least two, which in fiscal 2015 it was set at 9  
20           percent, and fiscal 2016 it was set at 6 percent.

21   MS. GIESBRECHT:    And those rates keep going up. And  
22           they're just going to keep going up. And there are  
23           people that are already having power cut to their home  
24           because the legacy meter reading fee is actually  
25           higher than the Hydro. And like I say, I can't  
26           understand justifying a fee for one when others that

1 are having their meters read for free, they don't have  
2 to pay that rate.

3 Like, it has to be fair to everybody and  
4 that's one of the reasons why I drove up here today  
5 from Williams Lake nonstop. I had to get here. I  
6 found out about this meeting this morning, I'm so  
7 appreciative to be able attend this meeting, but  
8 there's so many answers that just -- things that don't  
9 make sense and it's not fair. It's not fair to charge  
10 one customer a \$65 failed installation fee because  
11 they don't want that meter on their home.

12 It's not fair to pay to charge somebody  
13 between 40 and 50 dollars a month, a legacy meter  
14 reading fee. Try timesing that by 12 and tell me what  
15 you're paying in a year just to live in a safe home  
16 and a safe environment. And then yet you've got  
17 people in rural communities having their meters read  
18 for free. Does anybody see something not fair there  
19 or is it just me? So I think the BC Hydro is running  
20 amok with our tax dollars and they're finding every  
21 excuse in the book.

22 And I'll tell you what, three years ago a  
23 Corix truck pulled up outside of my home. Those  
24 people are not electrical engineers certified to work  
25 in British Columbia and they don't have the proper  
26 certification to swap out meters. So when I said I'm

1 really sorry sir, but I cannot allow you onto my  
2 property. My meter is locked up and I will not allow  
3 a smart meter to be installed. And he left. And the  
4 next time I got a bill I have a \$65 failed  
5 installation fee.

6 I mean, this was a couple of years ago, but  
7 the people, the taxpayers, the grunts that are working  
8 our butts off so that you guys can have your jobs. We  
9 don't have any one to talk -- we don't have anywhere  
10 to go about all these unfair financial spending of BC  
11 Hydro. There's running amok, there's doing whatever  
12 they want. And if you don't like it they'll just flip  
13 the switch.

14 And like I say, I'm tired of the unfair  
15 spending and, you know, they take meters off the homes  
16 in California, they're replacing 88,000 meters here in  
17 our province that are rural and they're not working  
18 properly. They amortize these things over 20 years.  
19 You know what would happen if I told Telus that I  
20 wanted to take my iPhone and amortize that thing over  
21 20 years? I'd be laughed out of the store. So who is  
22 okaying that as well? Amortizing these things over 20  
23 years, really?

24 I guess I'm here today to bring these  
25 things to your attention and hopefully to get some  
26 answers. I'm not here to demand answers, I'm not here

1 to demand or be out of line, but nobody's answering  
2 out questions in B.C. And there are 70,000 of us who  
3 don't want these meters. And we are paying out of our  
4 noses in these fees that are not being fairly charged  
5 to all BC Hydro customers.

6 THE CHAIRPERSON: Thank you for your comments. We will  
7 consider your comments as we make our decision. Thank  
8 you.

9 Is there anyone else that would like to  
10 have any -- that has questions or would like to make a  
11 comment? Sir, do you want to -- do you have any  
12 comments? Okay. Thank you very much for your  
13 contributions and we appreciate them. Thanks.

14 (PROCEEDINGS ADJOURNED AT 2:07 P.M.)

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