

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

And

British Columbia Power and Hydro Authority
Project No. 3698901
Supply Chain Applications Project Application

VANCOUVER , B.C.
March 10th, 2017

Procedural Conference

BEFORE:

D. Cote,

Panel Chair

R. Mason,

Commissioner

VOLUME 1

APPEARANCES

P. MILLER	Commission Counsel
C. BYSTROM	Counsel BC Hydro and Power Authority (BC Hydro)
C. WEAVER	Counsel for Commercial Energy Consumers Association of British Columbia (CEC)
T. BRAITHWAITE	Counsel for British Columbia Old Age pensioners' Organisation, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, and The Tenant Resource and Advisory Centre (BCOAPO)
S. TRUDELL	ABB Enterprise Software (ABB)

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CAARS

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VANCOUVER, B.C.

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March 10th, 2017

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(PROCEEDINGS RESUMED AT 9:01 A.M.)

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THE CHAIRPERSON: Please be seated.

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Good morning, ladies and gentlemen. My name is Dennis Cote, and I've been designated Chair of this Panel, which has been assigned to hear the British Columbia Hydro and Power Authority, known as BC Hydro, application for supply chain applications project.

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Welcome to this morning's proceedings to consider the various procedural matters related to this application. With me today is Mr. Richard Mason on my right. We also have a third panel member, Miriam Kresivo. Unfortunately she is unable to join us today due to other commitments.

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Also in attendance today are Commission counsel, Mr. Paul Miller, from Boughton Law Corporation; our Commission lead staff, Mr. Joel Ronne, who has been joined by a number of Commission staff; and our Hearing Officer, Mr. Hal Bemister.

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BC Hydro's proposed supply chain application projects proposes software and business processes to be put in place to provide the necessary tools for it to more efficiently and effectively

1 manage its third-party materials and services
2 acquisitions. Based on the analysis to date, the
3 supply chain applications project is expected to cost
4 between \$60.5 million and \$79.3 million, and be in
5 service by Quarter 2 of fiscal 2020.

6 BC Hydro, under Section 44.2(1)(b) of the
7 *Utilities Commission Act*, is proposing that the supply
8 applications project be reviewed in a two-phase
9 regulatory process which, in combination, will lead to
10 acceptance of the estimated range of supply
11 application project capital costs as being in the
12 public interest.

13 In Phase 1, BC Hydro is requesting
14 acceptance of the capital costs for the supply chain
15 applications project up to the end of the definition
16 phase. Now, to date, just to bring you up to date,
17 there has been one round of Information Requests and
18 responses.

19 In Phase 2, BC Hydro will present its
20 refined analysis of the supply chain applications
21 project, based on the definition phase work, and will
22 request acceptance of the balance of project capital
23 expenditures to be incurred for the implementation
24 phase.

25 By letter of March the 3rd, 2017, the
26 Commission outlined the issues or items the parties

1 are to address in this procedural conference. Number
2 1 was the process options for review of the
3 applications, included but not limited to a written
4 hearing, an oral hearing, or some combination of
5 processes.

6 **Proceeding Time 9:03 a.m. T2**

7 Two, the regulatory timetable itself, and I
8 think you're aware BC Hydro has proposed a timetable
9 as outlined in the letter that we sent out. Three,
10 the interveners' intentions to submit evidence.
11 Intervenors are asked to describe the nature of the
12 evidence. And four, the merits of a two-phase
13 regulatory process as proposed by BC Hydro as opposed
14 to a single approval of the total capital expenditures
15 for the project. And finally five, any other matters
16 that may assist in the efficient review of this
17 application.

18 Intervenors unable to attend were invited
19 to make written submissions. To this end Mr. Landale
20 has filed written submissions by letter on March the
21 8th, 2017.

22 Our letter also advised that Commissioner
23 Kresivo would not be able to attend due to scheduling
24 availability and there were no suitable alternative
25 dates where the Panel could attend. I would like to
26 reaffirm that because of this, the Procedural

1 Conference will deal with procedural matters only.
2 Substantive matters should not be addressed and will
3 not be determined by the Panel at this time. If an
4 issue that is substantive does arise, we may require
5 the parties to address these as written submissions
6 following the Procedural Conference. We apologize if
7 this has caused any inconvenience.

8 So let's move forward. Following the
9 appearances the order of speakers will begin with BC
10 Hydro and follow the order of appearances. Once we've
11 reached the end of the interveners' list, beginning
12 with the last to speak, interveners will have the
13 right to reply to any intervener or BC Hydro's
14 submissions in reverse order. BC Hydro will have the
15 right of reply, final right of reply.

16 Following this procedural hearing the
17 Commission will issue an order to clarify the
18 regulatory timetables and next steps. Any issues
19 raised that are of a substantive nature requiring
20 submissions will be dealt with separately.

21 I will now ask Mr. Miller to call for
22 appearances. Would you please state your name,
23 spelling it for the record, the party you represent,
24 and any additional items of a non-substantive nature
25 you would like to add to the agenda.

26 MR. MILLER: Thank you, Mr. Chair. The first in the

1 order of appearances is British Columbia Hydro and
2 Power Authority.

3 MR. BYSTROM: Good morning, Mr. Chair, Commissioner
4 Mason. My name is Chris Bystrom. Last name is
5 spelled B-Y-S-T-R-O-M. I'm here representing BC Hydro
6 and with me today is Fred James, Chief Regulatory
7 Officer. I have no items to add to the agenda.

8 THE CHAIRPERSON: Thank you.

9 MR. MILLER: Commercial Energy Consumers Association of
10 British Columbia.

11 MR. WEAVER: Good morning, Mr. Chairman and Commissioner
12 Mason. My name is Chris Weafer, spelled W-E-A-F-E-R,
13 appearing for the Commercial Energy Consumers. I have
14 nothing to add to the agenda. Thank you.

15 THE CHAIRPERSON: Thank you, Mr. Weafer.

16 MR. MILLER: BC Old Age Pensioners' Organization *et al.*

17 MS. BRAITHWAITE: Good morning, my name is Tannis
18 Braithwaite, last name spelled B-R-A-I-T-H-W-A-I-T-E,
19 on behalf of BCOAPO *et al.* I have nothing to add to
20 the agenda.

21 THE CHAIRPERSON: Thanks, Ms. Braithwaite.

22 MR. MILLER: ABB Enterprise Software.

23 MS. TRUDELL: Good morning, gentlemen. My name is Summer
24 Trudell, T-R-U-D-E-L-L, and I have nothing else to add
25 to the agenda.

26 THE CHAIRPERSON: Thank you, Ms. Trudell.

1 Mr. Bystrom, would you like to start?

2 **SUBMISSIONS BY MR. BYSTROM:**

3 MR. BYSTROM: Thank you. So I will speak first to the
4 process options, then the regulatory schedule, and
5 lastly the two phase process.

6 So with respect to process options, as
7 reflected in the proposal in the application, BC Hydro
8 is of view that a written process is the most suitable
9 process options to this proceeding. And I just
10 thought I'd highlight three reasons to support that
11 position.

12 **Proceeding Time 9:07 a.m. T03**

13 First, as you know, this is a project that
14 is -- it's an IT project, and the scope of topics for
15 an IT project is narrower compared to a typical large
16 infrastructure project that might normally be before
17 the Commission. In particular, there are no
18 environmental or socio-economic impacts, and no First
19 Nations consultation obligations arising from the
20 implementation and ongoing operation of this project.
21 So this reduces the complexity of this proceeding
22 compared to, say, the typical large infrastructure
23 project that might be before you.

24 Second point that I'd point out is that the
25 topics that are in scope for this proceeding can, in
26 my submission, be fully addressed in writing. The key

1 subjects of project costs and benefits, and
2 alternative analyses, are familiar topics to the
3 Commission and interveners. In my submission, they
4 are quite technical in nature for this project, and
5 can be addressed in the written format adequately.

6 And third, in my submission, the written
7 record to date already reflects a solid evidentiary
8 foundation on which the Commission can base its
9 decision. The application filed in support of the
10 project is comprehensive and detailed. And the
11 justification for the project is clear and, in my
12 submission, well supported by evidence.

13 The first round of Information Requests was
14 also thorough, covering all the key topic areas:
15 project costs, project benefits, alternative analyses,
16 and the project risks. And in my submission, BC Hydro
17 made full and complete responses to those Information
18 Requests. So a second round of Information Requests,
19 in my view, would be sufficient to fill out the
20 evidentiary record in this case.

21 So as in any proceeding, the Commission
22 must weigh any potential benefit of an oral hearing
23 against the costs, resources and time required to hold
24 that additional process. And in the case of this
25 proceeding, it is my submission that a written hearing
26 can provide the Commission with a complete evidentiary

1 foundation on which to base its decision.

2 Turning now to the regulatory schedule, BC
3 Hydro proposed a regulatory schedule in Table 1-1 on
4 page 1-20 of the application, and that schedule, as
5 you've noted, was attached to the Commission's letter
6 of March 3rd. BC Hydro remains of the view that this
7 schedule is a reasonable approach for this proceeding.
8 The proposed schedule includes a second round of
9 Information Requests followed by written argument.
10 The regulatory schedule that was proposed also
11 includes dates for each process step, and BC Hydro
12 remains amenable with the dates set out there.

13 Now, to the final topic, the merits of a
14 two-phase process versus approval of the total capital
15 expenditures for the project.

16 As you know, in the application BC Hydro
17 proposed a two-phase process for this proceeding. So
18 under this approach, the Commission would consider the
19 capital expenditures up to the end of definition phase
20 in the first phase of the proceeding, and then the
21 capital expenditures for the implementation phase in
22 the second phase of the proceeding.

23 Since a two-phase process is somewhat
24 novel, BC Hydro also offered an alternative proposal,
25 saying that if the Commission determines for any
26 reason that the two-phase regulatory process is

1 unnecessary or not feasible, then it requests
2 acceptance of all the capital expenditures of the
3 project. So this alternative would result in a
4 single-phase regulatory process.

5 And before getting to the merits of those
6 two options, I think it would be helpful if I first
7 clarified that in my submission the Commission need
8 not make a determination in its Order on this -- in
9 this Procedural Conference, whether to proceed with a
10 single- or two-phase process. Instead, I submit it
11 would be also reasonable for the Commission to wait
12 until the end of this proceeding -- the first phase, if
13 you will -- before making that choice.

14 At the end of this phase, the Commission
15 will have the benefit of all the evidence through the
16 written process, or whatever process is determined
17 here today, and argument from the parties. And so, at
18 the end of the proceeding, the Commission may be in a
19 better place to decide whether it feels comfortable
20 accepting the total project expenditures as being in
21 the project interest -- public interest, excuse me, or
22 it may determine at the end of the day that it would
23 like to limit its acceptance to the definition phase
24 expenditures, and then see the proposed verification
25 report before accepting implementation phase
26 expenditures.

Proceeding Time 9:12 a.m. T04

1
2 So with that clarification, I will now say
3 a few words regarding the merits of the two approaches
4 before you, beginning with the two-phase option.

5 BC Hydro's proposed two-phased process is
6 described in Chapter 1 of the application, and in
7 particular I would highlight sections 1.1, 1.1.3 and
8 1.3.2 of the application. BC Hydro's responses to
9 BCUC IR 1.32.2 and CEC IR 1.1 series are also
10 relevant. And I will not repeat all the details that
11 are set out there, but I will focus this morning on
12 the reasons why BC Hydro its proposal.

13 And there are essentially three reasons:
14 One, to bring the project to the Commission before
15 spending a significant percentage of project costs.
16 Two, to avoid a lengthy delay between the definition
17 and implementation phases of the project. And three,
18 to provide the Commission a chance to review the
19 project at two key stages.

20 I'll expand a little bit on each of those
21 points.

22 So first, BC Hydro customarily seeks
23 Commission approval or acceptance of its projects
24 towards the end of the definition phase of a project.
25 BC Hydro decided to file earlier in this case given
26 the extent of the definition phase costs of the supply

1 train applications project. The definition phase
2 expenditure on the project, as with IT projects
3 generally, are a greater proportion of total project
4 costs than would normally be the case for large
5 generation or transmission infrastructure project.

6 As noted in the application, approximately
7 40 percent of the project costs are in the definition
8 phase. In contrast, definition phase expenditures
9 would be between two to seven percent for a large
10 generation or transmission infrastructure project.

11 BC Hydro therefore considered it
12 appropriate to come to the Commission prior to
13 spending such a large percentage of the project costs.

14 Second, BC Hydro also wished to avoid a
15 lengthy regulatory process between definition and
16 implementation phases. Technology projects generally,
17 and this project in particular, have a unique human
18 resource element, namely that the people who will be
19 performing the definition phase activities will also
20 be performing the implementation phase activities. So
21 this is not typical for a large generation
22 transmission or distribution project.

23 The result is that if a single-phase
24 regulatory process were to occur at the end of the
25 definition phase, which might be the usual approach,
26 there would be costs associated with putting the

1 project on hold at that time, and risks associated
2 with disruption to the project team. This includes
3 risk of loss of project knowledge and resources.

4 So third, the supply chain applications
5 project is one of the largest technology projects BC
6 Hydro has planned to undertake. Given this, BC Hydro
7 considered the Commission may prefer a two-phase
8 process, as it allows the Commission to review the
9 project at its two key stages. It was considered that
10 this would provide comfort to the Commission and
11 stakeholders that BC Hydro was proceeding with the
12 project in a prudent manner.

13 So for these reasons, BC Hydro considered
14 the two-phase process, while somewhat novel, is
15 appropriate in the circumstances of the project. As
16 I have said, BC Hydro also stated that were the
17 Commission to determine that a two-phase process is
18 not feasible or not necessary, then BC Hydro would
19 request the Commission to approve the total capital
20 expenditures for the project.

21 And I'll make three comments on this
22 approach as well. First, a single approval of the
23 total project cost is the usual approach to project
24 approvals. Second, a single-phase is a viable and
25 reasonable process option for this proceeding. The
26 application presents BC Hydro justification for

1 Commission could take if it desires. In my
2 submission, the Commission can make its decision on
3 the two-phase or single-phase approach at this time,
4 or when it makes its final decision in this
5 proceeding.

6 Subject to any questions from the
7 Commission panel, those are my submissions.

8 THE CHAIRPERSON: I just have one. In the event that the
9 Commission was to decide that, within the range that
10 you have listed for the project, if your cost
11 estimates come in when you -- as you refine them,
12 within that range that is approved to move forward,
13 and there would only be a requirement for Stage 2 in
14 the event that you'd exceeded that range, how would
15 you feel about that?

16 MR. BYSTROM: I think that would be a reasonable
17 approach. If I understand you, your proposal -- or
18 what you're suggesting there would be that in the
19 decision at the end of this first phase, if you will,
20 the Order would say something along the lines that, if
21 there is no material change, then there is no second
22 phase required.

23 That is a reasonable approach. I think the
24 challenge may be in just crafting the Order. The
25 Commission has stated in the past that it can't
26 provide a conditional approval on a 44.2 application.

1 So it does --

2 THE CHAIRPERSON: That's why I asked the question.

3 MR. BYSTROM: It does. That's the challenge in crafting
4 the order so not to appear to be a conditional
5 approval. And, frankly, in part why we came to the
6 two-phase proposal that we did, to avoid a conditional
7 approval. We have tried to craft the process so that
8 the second phase is not just a condition but has the
9 -- is akin to a conditional approval.

10 So, we would be frankly quite happy to
11 proceed on that basis, but recognizing the legal
12 challenge there in crafting the order, we did propose
13 the two-phase process for that reason.

14 THE CHAIRPERSON: Okay, I understand.

15 MR. BYSTROM: Okay.

16 THE CHAIRPERSON: Thank you, Mr. Bystrom.

17 MR. BYSTROM: Thanks.

18 THE CHAIRPERSON: Mr. Weafer?

19 **SUBMISSIONS BY MR. WEAFER:**

20 MR. WEAFER: Thank you, Mr. Chairman. I'll deal with
21 Exhibit A-4, and the questions are specifically set
22 out, but I will start off with saying that I agree
23 with much of what Mr. Bystrom has had to say in terms
24 of the procedure to be followed, and the strength of
25 the options.

26 We support a written hearing. The CEC does

1 not intend to file any intervener evidence. In terms
2 of process requirements, we're aligned with Exhibit A,
3 that BC Hydro has put forward, that a second round of
4 Information Requests is required.

5 With respect to the conundrum of the
6 conditional approval, and that Hydro has set out a
7 second phase, we think there is a value to doing that,
8 and we think the simple answer to dealing with a cost
9 overrun or any other issue that can arise in a
10 technology-related project is that you schedule a
11 procedural conference immediately after the
12 verification report comes in, so that any issues
13 anybody may have with respect to what's been filed can
14 be put forward. And if nothing is there, then move to
15 accepting the verification report and approving Phase
16 A. But at least it reserves the right for the
17 Commission or any other stakeholder to identify –
18 including Hydro – an unexpected occurrence. So, we
19 would support the Phase 2 as scheduled. But with a
20 procedural conference almost immediately after filing,
21 so the "no surprises" issue can be addressed at that
22 time.

23 **Proceeding Time 9:22 a.m. T6**

24 Other than that, the only other comment
25 that CEC, I've been instructed to make is if we are
26 going to extend out into a Phase 2, it makes for a

1 very lengthy process. So the PACA funding be
2 available after a Phase 1 to be applied for, and if
3 there is a Phase 2, deal with PACA funding at that
4 time for a Phase 2. And those are my submissions.

5 Any questions?

6 THE CHAIRPERSON: No. Thanks, Mr. Weafer.

7 MR. WEAVER: Thanks very much.

8 THE CHAIRPERSON: Ms. Braithwaite?

9 **SUBMISSIONS BY MS. BRAITHWAITE:**

10 MS. BRAITHWAITE: BCOAPO is also content with a written
11 process in this matter. We don't intend to file any
12 intervener evidence and we don't have any objection to
13 the regulatory timetable that BC Hydro has proposed.
14 We would echo CEC's comments with respect to having
15 some type of process, Procedural Conference or request
16 for comments or something like that after the filing
17 of the verification report.

18 Our preference also would be for the two-
19 step process that BC Hydro has proposed. Software
20 projects, especially very large ones, have a tendency
21 to go sideways, and I think the more effort that can
22 be put into getting the foundation right from the
23 outset will probably be a cost saver down the road.

24 And finally we would also echo the CEC's
25 comments about if there is a two-phased process that
26 there be PACA funding allocated separately. We did

1 receive some comment from Commission Staff that that
2 would be the case; if there were two separate phases,
3 that that would be -- they would be treated as
4 separate proceedings, but it would be nice to have
5 confirmation of that. Thank you.

6 THE CHAIRPERSON: Thank you. Ms. Trudell.

7 **SUBMISSIONS BY MS. TRUDELL:**

8 MS. TRUDELL: I will just provide a few comments to some
9 of the documents that I've read online and also
10 Chris's statement.

11 So, in terms of written versus oral, I
12 think there is some benefit to having an oral hearing
13 because when you have things in writing it's very easy
14 for things to be either too detailed or missing in
15 nature of what the goal of the document represents.
16 So a few examples. There is some information I think
17 that's been presented that may contain some
18 inaccuracies, particularly around the GAAP analysis.
19 As you, I guess to back up, know, ABB provides the
20 existing software that is referenced as Passport,
21 which is now Asset Suite. There are GAAPs that are
22 represented based on fairly antiquated software and
23 therefore that leads into a benefit analysis that is
24 looking at antiquated software. And so therefore I
25 believe the benefits may be a little bit overstated.

26 I also thought it was interesting that ABB

1 was not consulted on any of that analysis in terms of
2 cost. The alternative analysis presents costs that
3 are again not necessarily based on the current version
4 of the software or technology and therefore may be
5 inaccurate. So at the end of the day what you have is
6 a case that is being presented in a manner that maybe
7 overstates the financial benefits and overstates the
8 continuation of an Asset Suite platform.

9 What else?

10 THE CHAIRPERSON: Could you maybe explain why that
11 couldn't be handled in a written form? I hear what
12 you're saying, but --

13 MS. TRUDELL: Yeah, no. My perception is that a written
14 dialogue of that nature would draw things out quite a
15 bit. And having a discussion and oral representation
16 of facts may be a little easier to cull through a lot
17 of information. So.

18 **Proceeding Time 9:26 a.m. T07**

19 In terms of the phased approach that has
20 been represented, I certainly support and agree with
21 the two-phased approach for the simple fact that a lot
22 of time there's unknowns in a project like this, and
23 so having a scoping and definition phase prior to a
24 full deployment is certainly beneficial to BC Hydro
25 and for you, the Commission, to understand the larger
26 cost ramifications.

1 Another thing that I believe has been
2 mentioned in some of the documents, but not
3 necessarily addressed yet, is the idea of the work
4 management piece coming in the future, and as I think
5 the Commission would find via research, large-scale
6 projects like this can lead to more expenditures down
7 the line that are going to be significant for BC
8 Hydro. So it's worth taking it into consideration as
9 you guys look at approving this initial phase.

10 What else? My goal is to ensure that the
11 Commission has transparent information, and I
12 certainly recognize that BC Hydro has put a lot of
13 effort into assessing a go-forward strategy that would
14 meet their business needs. This is a technology
15 project, but at the root of it, it's for the people
16 that are doing the work, the people that manage the
17 day-to-day finances and work that the utility is
18 providing to consumers. So I think it's pretty
19 important that you guys understand what could go into
20 something like that. And that the alternative
21 analysis is conducted in a manner that's accurate.
22 So.

23 Any questions?

24 COMMISSIONER MASON: Thanks very much for that. Could
25 you possible explain a little bit further the
26 relevance of your comments regarding work management

1 software and the Procedural Conference and the ongoing
2 process that we might follow regarding supply chain,
3 please?

4 MS. TRUDELL: Sure. So Asset Suite and SAP have
5 capabilities in both spheres and it's discussed in the
6 article -- or one of the documents the importance of
7 integration between work management and supply chain.
8 So this is an interim step for BC Hydro to untangle
9 those two into two different systems. But the
10 ultimate goal is to achieve that unity down the line
11 again, so when you look at a project of this
12 magnitude, you're going to certainly be looking at
13 work management at some point in the future. So.

14 I would also bring up that there's been a
15 lot of discussion in the documents around single
16 system, single system, and that is BC Hydro's desire
17 to achieve in a single platform, and you need to think
18 about what that really means from an IT standpoint.
19 There's a lot of under the layers -- SAP is separate
20 systems as well, and so I question the merits of what
21 that would really mean in terms of benefits down the
22 line as this gets brought together.

23 COMMISSIONER MASON: Thank you.

24 THE CHAIRPERSON: I have no questions.

25 MS. TRUDELL: Thank you, gentlemen.

26 THE CHAIRPERSON: Thank you, Ms. Trudell.

1 MS. TRUDELL: Thinking about evidence, we certainly do so
2 upon request. Things -- examples would be a counter
3 to what the GAAP analysis has been presented, ideas
4 around how other projects have been carried out at
5 other utilities, in terms of upgrade cost or what that
6 would look like.

7 **Proceeding Time 9:31 a.m. T08**

8 Because that's certainly a viable option for BC Hydro.
9 And then I think taking a look at other SAP projects
10 across the utility industry specifically would be
11 beneficial from a knowledge standpoint.

12 THE CHAIRPERSON: Ms. Trudell, are you saying you are
13 going to file evidence then? Because that -- we've
14 got to put a schedule together.

15 MS. TRUDELL: Got you.

16 THE CHAIRPERSON: That's the purpose of this.

17 MS. TRUDELL: So this is a process that's novel to me.
18 We could take a look at that, yeah. I mean, it's --
19 this is --

20 THE CHAIRPERSON: I need to have it a little clearer than
21 that.

22 MS. TRUDELL: Sure, understood. Yes. What that looks
23 like, I'd need to investigate.

24 THE CHAIRPERSON: I understand.

25 MS. TRUDELL: Several weeks? What is your general
26 timetable for evidence responses? Two weeks?

1 THE CHAIRPERSON: I think -- oh, you mean in terms of --
2 MS. TRUDELL: Like, what your expectations are in terms
3 of receipt of evidence.
4 THE CHAIRPERSON: Well, I probably would leave you three
5 weeks anyway, to prepare your evidence.
6 MS. TRUDELL: Yeah, sure.
7 THE CHAIRPERSON: And there would be a round of IRs.
8 There may be likely a rebuttal portion, and without
9 putting my mind to it particularly, we try to run it
10 as much so we didn't upset the end date of the
11 schedule.
12 MS. TRUDELL: Mm-hmm.
13 THE CHAIRPERSON: It would probably involve some
14 adjustments in those dates, but I would try to keep it
15 as close to the end.
16 MS. TRUDELL: Sure.
17 THE CHAIRPERSON: And there would be gaps in order to
18 answer the IRs, and that. So --
19 MS. TRUDELL: Understood. That sounds reasonable.
20 THE CHAIRPERSON: Okay.
21 MS. TRUDELL: So, thank you.
22 THE CHAIRPERSON: Thank you.
23 MR. MILLER: Mr. Chair, staff doesn't have any position
24 on the issues that you've set out in the procedural
25 letter. Staff's main concern was getting an
26 opportunity to ask for a second round of IRs. BC

1 Hydro has allowed for that in the schedule and we're
2 content.

3 THE CHAIRPERSON: Yes. Great. Thank you, Mr. Miller.

4 Ms. Braithwaite? Any further submissions?

5 Or comments?

6 MS. BRAITHWAITE: No, BCOAPO has no further comment.

7 THE CHAIRPERSON: Thank you for sharing that. Mr.

8 Weafer, you have none?

9 MR. WEAFFER: No.

10 THE CHAIRPERSON: Then I'll turn it back to Mr. Bystrom.

11 **REPLY BY MR. BYSTROM:**

12 MR. BYSTROM: Thank you. So, I will make some comments
13 on the process around Phase 2, PACA funding, ABB's
14 requests for an oral hearing, and intervener evidence,
15 the schedule that follows.

16 Just first quickly, we are supportive of
17 having a Procedural Conference -- or an opportunity
18 for written comments directly after the filing of the
19 Phase 2 verification report, if the Commission
20 determines that a two-phase process, as we have
21 proposed, is appropriate. We agree that it would be
22 important to have that promptly to avoid any
23 unnecessary delays at that point of the project.
24 We're also supportive of submissions related to the
25 PACA funding.

26 Turning to ABB's request or comments that

1 an oral hearing would be beneficial. First, I don't
2 agree with the characterization of the evidence, in
3 terms of inaccuracies. But I don't want to get into
4 substantive matters here, so I'm not going to talk
5 about the evidence on those topics.

6 At this point I would just comment that
7 those are topics of disagreement, but not necessarily
8 reasons to have an oral hearing. The written process
9 that is being contemplated provides numerous
10 opportunities for those topics to be explored, and for
11 evidence to be gathered on them. There is going to be
12 another round of IRs, it looks like. There's an
13 opportunity for intervenor evidence. So if they --
14 ABB feels it has evidence that is contrary, it has the
15 opportunity to present that.

16 **Proceeding Time 9:35 a.m. T09**

17 And we'll have an opportunity to, I would
18 submit, rebut that in our own evidence, and also, I
19 might add that if ABB feels we haven't responded to
20 IRs fully, then it has a process to come to the
21 Commission and request that we do respond fully.

22 So in my submission there is an adequate
23 process in writing to deal with the topics raised and
24 so we remain of the view that a written process is
25 appropriate.

26 Lastly, topic of intervenor evidence, I

1 just wanted to note that if intervenor evidence is to
2 be filed then, as would be typical, we would request
3 that there be an opportunity for information requests
4 on that evidence and an opportunity for BC Hydro to
5 file rebuttal evidence.

6 And those are my submissions in reply,
7 unless there are any further questions.

8 THE CHAIRPERSON: I have no questions, Mr. Bystrom.

9 Mr. Miller, is there any more business we
10 must attend to today?

11 MR. MILLER: There's nothing I'm aware of, Mr. Chair.

12 THE CHAIRPERSON: In that event, we'll adjourn for today
13 and a decision will be forthcoming. Thank you very
14 much for all of your participation.

15 **(PROCEEDINGS ADJOURNED AT 9:37 A.M.)**

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I HEREBY CERTIFY THAT THE FORGOING
is a true and accurate transcript of
the recording provided to me, to the
best of my skill and ability.

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A.B. Lanigan, Court Reporter

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March 10th, 2017

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