

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

**And**  
**FortisBC Energy Inc. and FortisBC Inc. -**  
**Multi-Year Rate Plan Application for 2020-2024**

**VANCOUVER, B.C.**  
**July 9, 2019**

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**PROCEDURAL CONFERENCE**

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**BEFORE:**

<b>D. Cote,</b>	<b>Panel Chair</b>
<b>A. Fung, Q.C.,</b>	<b>Commissioner</b>
<b>K. Keilty,</b>	<b>Commissioner</b>
<b>E.B. Lockhart</b>	<b>Commissioner</b>

**VOLUME 2**

## APPEARANCES

P. MILLER,	Commission Counsel
C. BYSTROM	FortisBC Energy Inc. and FortisBC Inc. (FEI/FBC)
C. WEAVER, P. WEAVER, J. RHODES,	Commercial Energy Consumers (CEC) and B.C. Municipal Electric Utilities (BCMEU)
L. WORTH, I. MIS	British Columbia Old Age Pensioners' Organizations, Active Support Against Poverty, Disability Alliance B.C., Council of Senior Citizens' Organizations of B.C., Tenants Resource and Advisory Centre and Together Against Poverty Society (BCOAPO)
W. ANDREWS,	B.C. Sustainable Energy Association (BCSEA)
J. QUAIL,	Movement of United Professionals (MoveUP)
R. HOBBS,	Industrial Customers Group (ICG)

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**VANCOUVER B.C.**

**July 9<sup>th</sup>, 2019**

**(PROCEEDINGS RESUMED AT 9:02 A.M.)**

THE CHAIRPERSON: Please be seated.

Good morning, ladies and gentlemen. My name is Dennis Cote and I've been asked to chair the panel for the FortisBC Energy Inc. and FortisBC Inc. 2020 to 2024 multi-year rate plan application. Welcome to this morning's proceedings which will consider various procedural matters related to this application.

With me today are fellow panel members Anna Fung, Karen Keilty and Blair Lockhart. Also in attendance today are Commission Counsel, Mr. Paul Miller from Boughton Law Corporation. And Sarah Khan, the Commission Counsel. Our Commission lead staff, Sarah Walsh is also here and has been joined by Yolanda Domingo, executive director and project manager for the application, and a number of Commission staff. Actually their isn't -- oh, there is a few, yes. As well as the hearing officer, Mr. Hal Bemister.

This procedural conference was established by the Commission Order G-64-19 with reference to this by letter of July 3<sup>rd</sup>, 2019, or Exhibit A-5, the parties were requested to address by submission a



1 included within the application.

2 The fifth item is alternatives that would  
3 be available to the BCUC for setting permanent rates  
4 from 2020 in the event that some or all of the  
5 elements of the rate setting mechanism proposed in the  
6 application are not approved. As part of this  
7 response, parties are asked to address the following:  
8 (a) What additional information not currently in  
9 evidence would be required; (b) what impacts would  
10 such a determination have on 2020 rates, detailing the  
11 proposed process and basis for setting permanent 2020  
12 rates in the event of such a determination; (c)  
13 whether it's appropriate to consider alternatives to  
14 the proposed MRP, rate-setting mechanisms in the  
15 current proceeding, and if not, what would be the  
16 appropriate process and timing to review these  
17 alternatives?

18 And six, any other matter that will assist  
19 the BCUC to effectively review the application.

20 In the letter, if it were considered more  
21 efficient, the parties were asked or invited to  
22 provide submissions in writing by 10:00 a.m. Monday,  
23 July 8<sup>th</sup>, 2019. In addition, interveners who wished to  
24 participate by telephone conference were asked to  
25 notify our hearing officer, Mr. Hal Bemister.

26 Fortis provided a written submission, which

1 is Exhibit B-11, on the procedural matters outlined  
2 above and stated that it will review and expand on  
3 these matters as necessary at the procedural  
4 conference.

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

6 As I understand it, we have a Mr. Bell who  
7 is joining us by phone and has not done so? Perhaps  
8 he is online.

9 So, before I begin, I'd like to ask the  
10 parties to make sure that your submissions are  
11 directed to the issues that I've just outlined,  
12 together with any other issues you or any of the  
13 participants identify which the panel has accepted for  
14 addition to the agenda.

15 In identifying any additional issues,  
16 please bear in mind that the purpose of this  
17 conference is not to accept or discuss the merits of  
18 the application, but to address the issues I have just  
19 outlined. The panel believes that these issues are  
20 most effectively canvassed collectively as opposed to  
21 one issue at a time. However, if any party disagrees  
22 or has a particular issue they feel should be dealt  
23 with separately, you are welcome to address this  
24 during your appearance.

25 After appearances, the order of submissions  
26 will begin with FortisBC first, and then follow the

1 order of appearances. Once we reach the end of the  
2 intervenors, we'll begin with the last intervenor to  
3 speak, and everyone will have a right of reply to the  
4 other intervener's submissions in reverse order.  
5 FortisBC will then have the final right of reply.

6 That said, I will ask Ms. Khan to call for  
7 appearances. When you enter your appearance, please  
8 state your name for the record, spelling it, the party  
9 you represent, and identify any additional issues at  
10 this time.

11 Ms. Khan, please proceed with your  
12 appearances. Thanks.

13 MS. KHAN: First in the order of appearances I'd like  
14 to call the applicant, FortisBC Energy Inc. and  
15 FortisBC Inc.

16 MR. BYSTROM: Good morning, Mr. Chair, Commissioners,  
17 my name is Chris Bystrom, last name is spell B-Y-S-T-  
18 R-O-M, representing FortisBC, both FortisBC Inc. and  
19 FortisBC Energy Inc. We have no additional items to  
20 add to the agenda.

21 MS. KHAN: Next in the order of appearances is the  
22 Commercial Energy Consumers and the B.C. Municipal  
23 Electric Utilities?

24 MR. WEAFFER: Good morning Mr. Chairman, members of the  
25 panel. My name is Chris Weafer, spelled W-E-A-F-E-R,  
26 appearing for the B.C. Municipal Electric Utilities,

1           which are all customers of FortisBC Electric, and for  
2           the Commercial Energy Consumers which consist of  
3           customers of both FortisBC Electric and Fortis Gas.  
4           And with me at the counsel table is Patrick Weafer,  
5           co-counsel on this matter of Owen Bird Law  
6           Corporation, and Janet Rhodes of the CEC. And we have  
7           no other matters to add to the agenda.

8   THE CHAIRPERSON:        Thank you, Mr. Weafer.

9   MR. WEAFFER:            Thank you.

10   MS. KHAN:                Next I'd like to call B.C. Old Age  
11           Pensioners Organization, *et al*?

12   MS. WORTH:               Good morning Mr. Chair, members of the  
13           panel. Leigha Worth, W-O-R-T-H, and Irina Mis, M-I-S,  
14           here as counsel for BCOAPO *et al*, and we have nothing  
15           to add to the agenda this morning. Thank you.

16   THE CHAIRPERSON:        Thank you, Ms. Worth.

17   MS. KHAN:                Next is the B.C. Sustainable Energy  
18           Association?

19   MR. ANDREWS:             William Andrews for the B.C. Sustainable  
20           Energy Association. Mr. Hackney is following by the  
21           online web broadcast. Thank you.

22   THE CHAIRPERSON:        Thank you, Mr. Andrews.

23   MS. KHAN:                Next is the Movement of United Professions?

24   MR. QUAIL:                Good morning, Mr. Chairman and panel. Jim  
25           Quail, Q-U-A-I-L, appearing for MoveUP which a union  
26           that represents what may be characterized as the

1           inside workforce of both utilities. I have nothing to  
2           add to the agenda.

3 THE CHAIRPERSON:       Thank you, Mr. Quail.

4 MS. KHAN:           And we have the Industrial Customers Group?

5 MR. HOBBS:          I am Robert Hobbs, Mr. Chair, I appear on  
6           behalf of the Industrial Customers Group. I hesitate  
7           to mention it, because I think it fits within your  
8           agenda, but just in case it's an additional item, I  
9           will be seeking a direction from the panel to FortisBC  
10          to file a cost of service application.

11 THE CHAIRPERSON:     I don't believe -- do you have a  
12          response?

13 MR. BYSTROM:         I think requesting a direction to file a  
14          cost of service application is beyond the scope of the  
15          items identified by the panel. It seems to me it goes  
16          beyond a procedural matter, it goes to a more  
17          substantial issue. So, my proposal would be that that  
18          wouldn't be added to the agenda in this proceeding,  
19          but it may be that could be part of item 5 in terms of  
20          whether that would be a further process could be added  
21          to consider such a direction.

22 THE CHAIRPERSON:     Okay, fair enough, Mr. Bystrom.

23           Okay, we will give you the latitude to do that.

24 MR. HOBBS:          Thank you.

25 MS. KHAN:           I'd just like to check, is there anyone else  
26          who hasn't entered an appearance who would like to

1 appear?

2 Seeing none, that concludes the order of  
3 appearances.

4 THE CHAIRPERSON: Thank you, Ms. Khan. Mr. Bystrom?

5 **Proceeding Time 9:13 a.m. T04**

6 **SUBMISSIONS BY MR. BYSTROM:**

7 As you noted, we filed our written  
8 submissions yesterday, and in that submission we  
9 outlined our comments on the various procedural items  
10 identified by the panel. I'll be reviewing those  
11 submissions this morning. You may want to have a copy  
12 of our submission out for reference. I'll be loosely  
13 following what has been written there.

14 So the first topic identified by the panel  
15 is whether interveners intend to file intervenor  
16 evidence. Of course, I have no submission on that  
17 directly, just note that if interveners do file  
18 evidence, we would request the opportunity to file  
19 information requests on that evidence and rebuttal  
20 evidence in response.

21 So turning to the second item regarding  
22 whether the review of the application should proceed  
23 by way of a written or oral public hearing or some  
24 other process, as set out in our written submission,  
25 our proposal is that the written process steps,  
26 including a second round of information requests and

1           intervener evidence and rebuttal evidence, if any,  
2           would then be followed by a second procedural  
3           conference.

4                       So in our view after those written process  
5           steps are completed, the second round of information  
6           requests, intervener evidence, if any, and rebuttal  
7           evidence, if any, the issues in the proceeding should  
8           be more crystallized and it will be clear what, if  
9           any, further process may be required. So therefore in  
10          our submission it would be beneficial after those  
11          steps to have a second procedural conference to  
12          determine what further process is needed, such as an  
13          oral component and what the scope of that component  
14          may be.

15                      And as outlined in our written submission,  
16          if the BCUC does determine that an oral public hearing  
17          is needed, we would request that the scope of that  
18          hearing be clearly defined to scope only those issues  
19          that require further examination. While an oral  
20          public hearing can be a useful tool, it is also well  
21          known to be time and resource intensive. So in our  
22          submission narrowing the scope of any oral component  
23          to what is needed would be beneficial to focusing the  
24          parties on the matters that are material and that are  
25          warranting the time and resources of an oral hearing.

26                      In our written submission we also set out a

1           proposal that if an oral component is needed, a  
2           suggestion would be to have SRP like hearing days. In  
3           our experience, the streamlined review process  
4           structure has been a beneficial one. The annual  
5           reviews under the current PBR plans have followed that  
6           structure. So the structure, as the Commission is  
7           well aware, there is usually a presentation at the  
8           beginning by the utility and then there is question  
9           and answer time which can be structured or more open  
10          as needed. Because it's less formal than an oral  
11          public hearing, it tends to be more efficient and in  
12          our view, more conducive to an open dialogue amongst  
13          the parties.

14                        So in our submission, a proposal for the  
15          Commission to consider if an oral component is needed  
16          is to have SRP like hearing days that are focused on  
17          particular topics.

18                        And we did note in our written submission  
19          also that we did canvass some of the parties about the  
20          potential form of collaborative process which is a  
21          negotiated settlement process. We ultimately  
22          determined that it was premature to propose that here  
23          today. I believe it would be beneficial to finish the  
24          second round of information requests and see if  
25          intervener evidence will be filed before considering  
26          that further. But FortisBC remains open to such a

1 possibility and we suggest that that could be an item  
2 for further discussion at the next procedural  
3 conference.

4 **Proceeding Time 9:17 a.m. T05**

5 Just maybe just elaborate on that a little  
6 bit. If we were to go down that road we do think it  
7 would -- the success of such a process would depend on  
8 good parameters or clear parameters being set by the  
9 BCUC? We note as an example of that in the 2014 PBR  
10 proceeding, the Commission directed the utilities to  
11 consult with stakeholders on the range, performance  
12 range for the SQIs, service quality indicators. And  
13 that process worked well. The utilities and the  
14 stakeholders were able to come up with a consensus  
15 proposal, which was accepted by the Commission. So in  
16 our view that's an example of how that kind of process  
17 can work successfully.

18 In terms of the process steps and  
19 timetable, we have set out our proposed process steps  
20 and dates on pages 2 to 3 of our written submission.  
21 Just a couple notes about that table. We have  
22 accounted for intervener evidence being filed or not,  
23 so there's kinda two streams of dates to account for  
24 that. And although we're not proposing any public,  
25 oral public hearing component at this time we have  
26 marked a week on the schedule for that if it is

1           determined to be needed.

2                         Turn to item 4 in the Commission's letter,  
3           I'll next address the questions directed to FortisBC  
4           related to FEI and FBC's interim rate applications.  
5           So as we set out in our written submission, FEI and  
6           FBC plan to file separate interim rate applications in  
7           October of this year. We don't intend to propose a  
8           process to review those applications because the BCUC  
9           has customarily approved those without any kind of  
10          material process on the basis of *prima facie* evidence  
11          filed by the utility and with the understanding that  
12          as the rates are only interim, any difference between  
13          interim and final rates is returned to or recovered  
14          from customers once the final rates are set.

15                         So while there usually isn't any process  
16          around that, FEI and FBC will be filing the  
17          applications in October as we noted, so there would be  
18          time for some kind of process if the Commission  
19          considers that appropriate before the rates need to be  
20          set for obviously January 1<sup>st</sup> of 2020.

21                         And the interim rate applications will be  
22          based on the proposed multi-year rate making plans  
23          proposed in the application. Just to clarify, the  
24          application would not include items that couldn't be  
25          implemented on an interim basis such as the innovation  
26          rate rider and also wouldn't need to include items



1                   So in short our interim rate applications  
2 would be supported by the best information available  
3 at the time of filing. The interim rates would be set  
4 on fully refundable, recoverable basis with any  
5 difference between the interim and file rates either  
6 returned to or collected from customers.

7                   So turning to the fifth item identified by  
8 the panel, I'll address the panel's questions related  
9 to the setting of permanent rates. So in FortisBC's  
10 respectful submission, in this proceeding the  
11 Commission's duty is consider FEI and FBC's proposed  
12 multi ratemaking plans based on the evidence before  
13 it. So that evidence may include the topic of  
14 alternative rate setting mechanisms, which the BCUC  
15 then can consider. For example, information requests  
16 have already explored in this proceeding the  
17 difference between cost of service and performance-  
18 based rate making or the multi ratemaking plans. For  
19 instance, BCMEU IR No. 1.17.1 noted -- FBC noted there  
20 that the expected rates for 2020 would not be expected  
21 to be different, or materially different I should say,  
22 under a cost of service of under the proposed multi-  
23 year ratemaking plan.

24                   If interveners are of the view that an  
25 alternative ratemaking approach should be considered,  
26 I would expect them to pursue those topics in

1 argument.

2 I'm just -- I think I'll just address  
3 briefly Mr. Hobbs' proposal here that the Commission  
4 issue a direction. In my submission, such a  
5 direction would be tantamount to denying FortisBC's  
6 application. And in my submission, the Commission  
7 could not make that determination until all the  
8 evidence and argument is filed in this proceeding. So  
9 in my submission, there should be no further process  
10 steps to consider that direction. In my submission,  
11 we have a right to a fair hearing to determine our  
12 proposals, and that includes the opportunity to file  
13 argument and to respond to intervener evidence and so  
14 on, all the process steps we have laid out this  
15 morning.

16 So in my submission, there should be no  
17 direction to file a cost of service application, and  
18 instead, as my submission -- like I said, we have a  
19 right to a fair hearing on our application as filed.

20 I would also note the topic of cost of  
21 service application has been discussed multiple times  
22 over the annual reviews during the current PBR plans.  
23 The request for a separate proceeding to review the  
24 firm PBR plans and consider cost of service has been  
25 repeatedly denied by the Commission. And so in my  
26 view, that ship has sailed. We filed our application.

1           The Commission in this proceeding can consider cost of  
2           service for PBR, but the idea of a separate proceeding  
3           to consider cost of service or a direction in that  
4           regard is, in my submission is not timely at this  
5           time. At this point, the Commission should be  
6           considering our application.

7   THE CHAIRPERSON:     Could I interrupt just for a second?

8   MR. BYSTROM:         Yeah, you bet.

9   THE CHAIRPERSON:     Did I hear you -- I may have misheard  
10           you, did you say that the Commission denied previously  
11           over the last, I gather, couple of years, moving  
12           forward with the cost of service approach?

13   MR. BYSTROM:         Not denied the cost of service approach.  
14           I may have misspoke if I said that.

15   THE CHAIRPERSON:     I may have misheard, so.

16   MR. BYSTROM:         No. Thanks for the question. As I was  
17           speaking I was wondering if I clearly articulated the  
18           point. And I'm sorry, I haven't had time to prepare a  
19           response to Mr. Hobbs, so.

20                         I was referring to the request to have a  
21           separate proceeding to review the current PBR plans.

22   THE CHAIRPERSON:     Oh, I see. Again, has that actually  
23           gone to a panel and the panel has rejected that?

24   MR. BYSTROM:         So it was raised in the last annual review  
25           and it was also raised by MoveUP in its letter  
26           requesting an inquiry. And the Commission responded

1 with a letter denying that proposal.

2 Track 7

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

4 THE CHAIRPERSON: Thank you.

5 MR. BYSTROM: And I will get you an IR reference in a  
6 moment. Exhibit B-7, CEC IR 1.4.1, we summarize that  
7 past process.

8 So, turning back to my submissions,  
9 ultimately the BCUC we expect will make a final  
10 determination in this proceeding, whether it will  
11 approve the proposed MRPs or some change to them, or  
12 make some other determination. And in our written  
13 submission we illustrated this by reference to the  
14 Commission's 2014 PBR decisions. And that proceeding,  
15 of course, the utilities had proposed PBR plans. The  
16 Commission accepted many of the proposed elements of  
17 those plans, but also adjusted some of them. The  
18 Commission also directed some elements to be resolved  
19 through further process. And I mentioned the service  
20 quality indicators, this performance ranges for the  
21 service quality indicators which required some further  
22 process to develop and finalize. I just reference  
23 that to illustrate how permanent rates can be set.  
24 Ultimately utilities will respond to decision with a  
25 compliance filing which we anticipate would be in the  
26 form of an annual review, where we would comply with

1 the direction from the Commission and propose  
2 permanent rates based on the Commission's decision.

3 In terms of additional information that may  
4 be required to be filed at that time, it's a little  
5 too early to say at this point, it really depends on  
6 the direction given by the panel in response to the  
7 application. What we can say is that we expect that  
8 in an annual review type process we would file for  
9 permanent rates for 2020 based on any direction from  
10 the Commission in its decision in this proceeding.  
11 And that at that time, the permanent rates would be  
12 set, and interim rates would be replaced by those  
13 permanent rates. And any difference between the two  
14 would be returned to, or recovered from customers.

15 So that brings me to the conclusion of my  
16 planned submissions. I would be pleased to respond to  
17 any questions if the panel has any?

18 THE CHAIRPERSON: We have no questions. Thanks, Mr.  
19 Bystrom.

20 You are a long way back there.

21 MR. WEAVER: Hobbling a little bit too.

22 **SUBMISSIONS BY MR. WEAVER:**

23 Thank you. Chris Weafer for the B.C.  
24 Municipal Electrical Utilities and for Commercial  
25 Energy Consumers. And again, I'd highlight the  
26 difference in that the BCMEU are customers of FortisBC

1 while the CEC covers both of the utilities. And  
2 procedurally their comments are going to be similar.  
3 So I will qualify -- as I go through the list I will  
4 qualify if there is a difference, but from a process  
5 standpoint, the positions in terms of what is on the  
6 agenda today, their positions are virtually identical.

7 THE CHAIRPERSON: Yes. Mr. Weafer, could you move the  
8 microphone just a little closer?

9 MR. WEAFER: Of course. Do I need to repeat anything?  
10 Or was that heard?

11 COMMISSIONER FUNG: I don't need you to repeat it, but  
12 if you could speak closer to the mike that would be  
13 very helpful.

14 MR. WEAFER: Definitely. So again, the positions will  
15 be similar with respect to issue one, whether  
16 intervenors intend to file intervenor evidence, and if  
17 so, the subject matter of the evidence. I am going to  
18 speak to this a little later when I speak to topic  
19 five, but at this point neither the BCMEU or the CEC  
20 intend to file evidence, and tend support the Fortis  
21 assertion that that probably best be assessed after  
22 the second round of information requests in a  
23 procedural conference at that time, when the evidence  
24 is more fully fleshed out in terms of where there may  
25 be a need for intervenor evidence. But at this point  
26 in time, they are not planning to file evidence.



1 filed. We have a timing issue, the primary consultant  
2 on the matter is away from mid-August to mid-  
3 September, but I don't think it interferes with the  
4 timetable you've got. We've got other matters before  
5 the Commission that we're working on, but that's  
6 simply a challenge we have and we're dealing with it.

7 We do obviously support a second round of  
8 information requests. So all those said, CEC and the  
9 BCMEU will participate in whatever processes the  
10 Commission directs, but in our view it should be full-  
11 on oral hearing or full-on written submissions on all  
12 matters and no bifurcation of proceeding.

13 Turning to item 4, and Fortis was directed  
14 to speak to this, but we do have some comments. And  
15 this is also going to move into the area of Mr.  
16 Hobbs's comment about the request for a cost of  
17 service filing, because I can say I was coming to the  
18 podium today to make similar request as part of these  
19 two items, 4 and item 5.

20 The utilization of the multi-year rate plan  
21 for setting interim rates is -- we're still trying to  
22 understand it, to be frank, and we see it as  
23 problematic. We have heard that some parts of the MRP  
24 will be hived off in terms of what's filed. Those  
25 matters have not -- those that are being hived off or  
26 not hived off have not been assessed or ruled upon by

1 the panel. So one of the concerns will be how do you  
2 unmake the cake? If you file an interim application  
3 the decision is dealt with some months to the year,  
4 and you reject elements that are included in the  
5 interim rate filing. We don't know, but it's  
6 problematic as far as we can tell.

7 And I want to be very clear, this is a  
8 different PBR application than the prior PBR approved  
9 by the Commission. So in terms of utilizing the MRP  
10 as a base, you're utilizing something which really has  
11 not been tested in this proceeding and we have issues  
12 with the number of the items in the MRP. So in our  
13 submission there should be a filing for the purpose of  
14 the interim rates of a filing akin to a cost of  
15 service type rate setting approach.

16 We've heard the applicant say this morning  
17 in response to the BCMEU IR that the rates will be  
18 similar for cost of service versus MRP.

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

20 Well, they can't make that assertion unless they've  
21 got some comfort as to what a cost of service would  
22 look like in terms of a filing. And so we submit that  
23 in this proceeding, whether it's part of the interim  
24 or part of the final review, there should be a cost of  
25 service based alternative before the panel in order to  
26 determine whether the best evidence available is

1 before the Commission in terms of how this utility is  
2 regulated for the next period of time.

3 With respect to the interim filing, that we  
4 do agree, and I think Fortis has accepted that there  
5 should be an opportunity for comment or review of the  
6 interim filing, particularly given this concern around  
7 the base being predicated on the MRP as opposed to a  
8 cost of service approach, although we're cautiously  
9 optimistic they'll accept our submission, and they'll  
10 file a cost of service approach.

11 If I can move to item 5, and the reason  
12 really to item 5 and the question put was: What  
13 alternatives would be available to the BCUC for  
14 setting permanent rates for 2020 in the event that  
15 some or all of the elements of the rate-setting  
16 mechanisms in the application are not approved?

17 Well, that question, to me, invited the  
18 submission that should there be an alternative filing  
19 for the Commission to be assessing, and the logical  
20 alternative filing be a cost of service filing. What  
21 else could there be?

22 So I hadn't spoken to Mr. Hobbs before this  
23 morning, but I think he's bang on. I mean, if the  
24 panel has concerns with respect to this filing, and we  
25 do, the alternative is generally a cost of service  
26 approach. And that approach is not an alternative

1       that has been rejected by the Commission to the best  
2       of my knowledge, it's just in the past you've opted  
3       for, on occasions, a PBR model. But that alternative  
4       is always a potential alternative in terms of the  
5       regulatory approach of the Commission. And for that  
6       evidence to be available to you, it just makes sense.

7               In terms of what additional information not  
8       currently in evidence would be required, the company  
9       I'm sure will speak to the effort to put together a  
10      cost of service application, but I have to assume that  
11      -- they answered an IR saying the rates would be  
12      similar under cost of service or MRP, that they've got  
13      a reasonable handle on that.

14             The logic to that certainly supports an  
15      interim rate application based on cost of service and  
16      an option to the Commission in terms of whether  
17      permanent rates should be based on cost of service if  
18      in the event the MRP application does not withstand  
19      the scrutiny of the Commission and the interveners in  
20      this proceeding, and if it does, so be it, but at  
21      least the panel have the option of looking at both  
22      alternatives.

23             The CEC has assessed whether failing a  
24      filing of a cost of service application by the  
25      applicant, whether it would be capable of putting  
26      together the model for one as part of an evidentiary

1 filing, and absent the full cooperation of the  
2 utility, it would be very difficult to do. But that  
3 is something we will assess as part of assessing  
4 whether to file evidence after round 2 of the  
5 information request. So I'll put that in as a  
6 placeholder for now. It would be a very onerous task,  
7 but we think the matter is important enough that we  
8 certainly need to take a look at it and whether it can  
9 be done in a timely manner.

10 Those are all of my -- I have no other  
11 submissions on item 6, and those are my submissions.

12 **Proceeding Time 9:40 a.m. T10**

13 THE CHAIRPERSON: Okay.

14 COMMISSIONER FUNG: Mr. Weafer, I am not necessarily  
15 advocating this, nor do I know if it's feasible at  
16 all, but is one alternative or possibility the  
17 extension of the current PBR for the next year until  
18 we've resolved this issue?

19 MR. WEAFER: Absolutely. In the sense that has been --  
20 CEC wasn't overly happy with that one, but at least it  
21 has been tested and approved by the Commission, and it  
22 is fundamentally different in our view than what we  
23 have on the table now, including the productivity  
24 factor that was in that application as opposed to what  
25 we have before us now. There was a ratepayer element  
26 in it.

1                   So in short answer, yes, that could be  
2                   considered.

3   COMMISSIONER FUNG:       Thank you.

4   THE CHAIRPERSON:        Just to add on to the back of that  
5                   one, would you foresee in such a circumstance that  
6                   Fortis would have the right to look for exceptions and  
7                   modifications based on five year's knowledge that has  
8                   occurred since then?

9   MR. WEAVER:            Yeah, I think the modifications would have  
10                   to be assessed and we'd have to understand them and  
11                   ask information requests on them. But certainly that  
12                   is a better alternative than proceeding with what is  
13                   presently before you.

14   THE CHAIRPERSON:       Thank you, I have no more questions,  
15                   Mr. Weaver.

16   MR. WEAVER:            Thank you very much.

17   THE CHAIRPERSON:        Ms. Worth?

18   **SUBMISSIONS BY MS. WORTH:**

19                   Mr. Chair, members of the panel, at this  
20                   time, obviously we are in a situation where we don't  
21                   necessarily have the full amount of evidence that we  
22                   would expect to have. So my submissions today on  
23                   issues such as whether we are intending to file  
24                   evidence in this matter are preliminary.

25                   Based on the evidence as it stands right  
26                   now, I would say that we would have to file evidence

1 in this matter, and that would primarily focus on the  
2 conversion to O&M, because it is implying the 100  
3 percent growth factor that we haven't seen in the  
4 past. And then also the 100 percent capital growth  
5 factor. Both of those are of some large concern to  
6 us, as they relate to the PBR.

7 Going on to issue two, to be frank, it's  
8 our position that any multi-year rate proposal,  
9 especially a five year rate proposal like this, that  
10 involves so many novel and material issues to our  
11 clients, should under most circumstances be subjected  
12 to a fulsome process. Certainly not a streamlined  
13 one, and this is not sort of a situation where I think  
14 there are those extraordinary circumstances where it  
15 would be exempt from that. At this time, again, based  
16 on the evidence that we have, and I'm hoping that the  
17 Commission panel is not considering a situation where  
18 there wouldn't be a second round of IRs, we would have  
19 to say that we would be seeking an oral hearing, but  
20 of course, depending on how the utility responds to  
21 IRs, our concerns may be somewhat alleviated, or at  
22 least reduced, and that may change in the future.

23 I can identify at this time some of the  
24 issues that we would at this point, based on the  
25 evidence that we have, seek to pursue in an oral  
26 hearing. The setting of the 2019 base O&M based on

1 the 2018 actuals as opposed to a value determined  
2 through a cost of service review. The utilities use  
3 of 100 percent growth factor as opposed to the 50  
4 percent growth, customer growth as is currently done.  
5 The targeted incentives, the efficiency carry-over  
6 mechanism. The innovation funding account, the X-  
7 factor, the stretch factor, the scope of the plan in  
8 general. What is in and what is outside of the  
9 escalator, and then setting the base revenues. So as  
10 you can see, there is quite a number of issues that we  
11 are looking to develop further, and that we expect  
12 would be addressed in a second round of Ifs.

13 We do have some availability constraints  
14 that were asked for in the third item. Although they  
15 do tend to be forward loaded. I have unfortunately  
16 unavailability starting on July 18<sup>th</sup> for medical  
17 reasons, I am going to be out of commission for a  
18 month. And then also Mr. Harper is unavailable from  
19 August 2<sup>nd</sup>, to August 20<sup>th</sup> for summer vacation. And as  
20 that abuts fairly closely to the second round of IRs,  
21 I thought that was important to identify.

22 And then Mr. Bell, our -- sorry.

23 **Proceeding Time 9:45 a.m. T05**

24 THE CHAIRPERSON: Excuse me. Are you saying you will,  
25 depending on the dates chosen for them, have  
26 difficulty in being able to issue the IRs?

1 MS. WORTH: I believe that Mr. Harper is -- he has, in  
2 the past, done quite a bit of work ahead of time, and  
3 then he has worked on vacations, but perhaps a little  
4 bit of leeway would be appreciated. And certainly for  
5 myself, because I'm going to be having medical issues  
6 between now and then. My ability to work will be  
7 extremely limited. So a couple of days' leeway would,  
8 I think, be sufficient for that, though.

9 The more urgent issue is Mr. Russ Bell's  
10 availability and Mr. Bell is on the phone. He has  
11 identified that he not available to be here from  
12 November 1<sup>st</sup> to 18<sup>th</sup>, and unfortunately that's an  
13 immovable obligation that he has. And that is close  
14 to --

15 THE CHAIRPERSON: That would be for the oral hearing?

16 MS. WORTH: Sorry?

17 THE CHAIRPERSON: That would be for the oral hearing?

18 MS. WORTH: If we were to proceed without the intervener  
19 evidence being filed on the dates that were proposed  
20 by Fortis, yes. And unfortunately -- you know, there  
21 may be something that we could do if we proceeded with  
22 Mr. Bell being here and BCOAPO being able to proceed  
23 first or something like that, but I wanted to identify  
24 that, because it is unfortunately something that we  
25 cannot change.

26 Other than that, the schedule is not

1 something that we've identified any other issues with.

2 Of course the fourth question was for  
3 Fortis and not for us.

4 And then for question five, it's BCOAPO's  
5 view that should the Commission reject all or part of  
6 the utility's application, the record should, at that  
7 point, be robust enough to set a cost of- service  
8 application for at least a year, the fiscal 2020.  
9 I'd be surprised if anybody in this room would be  
10 comfortable going forward with a position of either  
11 supporting or rejecting a multi-year MRP or consider  
12 approving it on the basis of anything less.

13 I think it is an option, as Ms. Fung,  
14 Commissioner Fung had asked, to extend the PBR in the  
15 absence of a decision approving this. So that is  
16 another option that I hadn't actually turned my mind  
17 to. But at this time we do believe that additional  
18 information would be needed in order to be able to  
19 either consider a cost of service application approval  
20 or to extend a PBR and those are the ones that I've  
21 already identified.

22 It is also, in my submission, an option to  
23 table the innovation fund targetted incentives and the  
24 efficiency carry-over and proceed with the rate  
25 application in the absence of those with hearings to  
26 be held in the meantime in order to settle those

1 particular issues, because they are very controversial  
2 in my mind. And then they could proceed, perhaps, on  
3 the 2021 fiscal or sometime thereafter.

4 Subject to any questions, I don't have  
5 anything else to assist the Commission with in this  
6 regard. But subject to any questions, those are our  
7 submissions.

8 THE CHAIRPERSON: Thank you, Ms. Worth.

9 MS. WORTH: Thank you.

10 THE CHAIRPERSON: Mr. Andrews.

11 **SUBMISSIONS BY MR. ANDREWS:**

12 MR. ANDREWS: The B.C. Sustainable Energy Association  
13 does not have an intention at this time to file  
14 evidence.

15 In terms of the form of the proceeding,  
16 BCSEA is not calling for an oral hearing at this time.  
17 It would not object to an oral hearing. If there is  
18 going to be an oral hearing I'd suggest that the  
19 topics generally be identified in advance.

20 In terms of the timetable, BCSEA has no  
21 objection in principle to the sequence, the items and  
22 sequence that Fortis has put forward in Exhibit B-10.  
23 That is a second round of information requests and  
24 opportunity for notice of an intention for interveners  
25 to file evidence and a provision for the filing of  
26 such evidence and IRs on intervener evidence, and then

1 a second procedural conference to determine, I guess  
2 among other issues, whether there will be an oral  
3 hearing, and if so, what its scope would be. And  
4 presumably any other alternatives that might be  
5 suggested at that time.

6 In terms of availability, I have a long-  
7 scheduled hearing from October 21<sup>st</sup> to November 1<sup>st</sup>,  
8 that would conflict with the placeholder time for an  
9 oral hearing in the event of no intervener evidence.

10 Regarding the interim rates, permanent  
11 rates and direction regarding a cost of service  
12 application, I have a few comments.

13 **Proceeding Time 9:51 a.m. T12**

14 One I guess is that I haven't heard Mr.  
15 Hobbs's actual request yet, and so I will respond  
16 after I've heard that. Three topics about his request  
17 come to my mind as being important for me to be able  
18 to consider. One is what the jurisdiction of the  
19 Commission is to make the order that he's requesting.  
20 The second is, exactly what is the content? What is  
21 meant by -- what does he mean in his application by a  
22 "cost of service application"? And that is, is there  
23 an application for rates approval on a cost of service  
24 basis? If so, for what test years?

25 And then thirdly, how this relates to the  
26 application that's before the Commission now, the

1 multi-year rate plan. Is the intention that the  
2 application being sought would be determined fully  
3 prior to continuation of examination of the multi-year  
4 plan that's currently before the Commission? Would  
5 the two be dealt with simultaneously? Would the  
6 multi-year rate plan be dealt with first and then the  
7 cost of service application? Those would be, to me,  
8 aspects of what I'd be looking for to be able to  
9 respond.

10 In response to Mr. Weafer's discussion  
11 regarding the interim rates, with respect, I don't see  
12 the interim rates as being a place to -- for the  
13 Commission to make a substantive determination about  
14 the merits of cost of service versus PBR. In my mind  
15 the point of interim rates is specifically not to have  
16 to make such a determination and that's why they would  
17 be fully refundable if the Commission later makes a  
18 determination that would result in a different  
19 outcome.

20 In the discussion there it seems to me that  
21 one of the issues that should be perhaps addressed  
22 more clearly is whether the concept of cost of service  
23 is related to the base year for a PBR or whether it's  
24 a cost of service based rate making concept for a  
25 number of future test years. So are we talking about  
26 a cost of service -- evidence to do with what should

1 be the base year or are we talking about cost of  
2 service for a number of test years going forward? And  
3 I don't have submissions on the content of that, but  
4 I'm trying to help with the -- for my client to be  
5 able to take a position on the merits of what's being  
6 proposed.

7 I think -- the Commission asks the question  
8 in 5, what alternatives would be available to the BCUC  
9 for assigning permanent rates for 2020 in the event  
10 that some or all of the elements of rate setting  
11 mechanisms proposed in the application are not  
12 approved? In my submission, of course Fortis has  
13 provided some response as to what the alternatives  
14 would be and that's a question that would be open for  
15 further argument as the proceeding unfolds. Obviously  
16 a very important element would be why it was that some  
17 or all of the elements of the rate setting mechanism  
18 proposed had not been accepted by the Commission. And  
19 a lot of the content of what the alternatives would be  
20 would fall out of the reasons why some or all of the  
21 elements were rejected.

22 So subject to any questions, those are my  
23 submissions.

24 **Proceeding Time 9:56 a.m. T13**

25 COMMISSIONER FUNG: I do have one question, Mr.  
26 Andrews. What do you say to Mr. Bystrom's submission

1           that if the panel were to direct a cost-of-service  
2           application filing by Fortis, that in essence amounts  
3           to a presumptive denial of the current application?  
4           Do you have any submissions on that?

5   MR. ANDREWS:    I think I would respond by wanting to know  
6           -- this is, to me, comes back to the question of what  
7           exactly the order being requested is.  And it seems to  
8           me that one interpretation of a possible order that  
9           would fit the description of a cost-of-service  
10          application is an order by the Commission that would  
11          be a rejection of the PBR concept that Fortis has  
12          opposed.

13                    However, if the concept was expressed in  
14                    terms of, for example, a cost-of-service base-line  
15                    year, then perhaps that would not be implicitly a  
16                    rejection of the PBR proposal.

17                    I guess I would also say that the  
18                    Commission has, and has exercised authority to ask  
19                    information requests to the company in support -- or  
20                    to gather evidence related to the application.  So to  
21                    the extent that information is required, the  
22                    Commission has authority, clearly in my submission,  
23                    within the broader context of the *Act*.  So I guess my  
24                    answer comes back to what exactly is being requested  
25                    and whether indeed this is a proposal to substitute a  
26                    cost of service approach for the PBR proposal that the

1           companies have put before the Commission.

2   COMMISSIONER FUNG:       And what do you say to the idea of  
3       extending the current PBR for another year? Do you  
4       have any submissions on that?

5   MR. ANDREWS:    I have no submissions on the content of  
6       that. The merits of that, it certainly strikes me as  
7       a feasible alternative. It wouldn't eliminate the  
8       need, I wouldn't think, for interim rates for 2020.  
9       And there may be a lot of devil in the details. If  
10      adjustments are required, the issues may come up  
11      whether it's worth it to spend the time on how to  
12      adjust a one year extension compared to determining  
13      what should happen for the next five-year period. But  
14      I think in principle it's a feasible option.

15   COMMISSIONER FUNG:       Thank you, Mr. Andrews.

16   THE CHAIRPERSON:    Thank you, Mr. Andrews.

17   MR. ANDREWS:    Thank you.

18   THE CHAIRPERSON:    Mr. Quail.

19   **SUBMISSIONS BY MR. QUAIL:**

20   MR. QUAIL:        So I'll preface my comments describing the  
21       union's interest and concerns. They are sort of over-  
22       arching the issues of this proceeding.

23                    The workforce of these utilities has a very  
24       strong interest in them being maintained in a healthy  
25       and stable condition. The union has real concerns  
26       about potential existential risks facing the gas

1 utility in particular in the medium term, and we've  
2 articulated those already before this Commission.

3 And I would comment that, of all of the  
4 stakeholders in the situation, if anything, the  
5 workforce of the utilities has the greatest stake in  
6 the long term health of these utilities, particularly  
7 the gas -- we're talking about the gas utility here.  
8 In terms of the stake of the ratepayers, conversion  
9 from gas to electricity, say for space and water  
10 heating is relatively straightforward compared to the  
11 other way around.

12 The shareholders can always move their  
13 investments, but the workforce have their pension  
14 plans and their livelihoods and careers that are  
15 bolted down to this company.

16 **Proceeding Time 10:00 a.m. T14**

17 And I preface my comments with that by  
18 emphasizing that in our submission it is essential  
19 that this proceeding include an assessment of the  
20 evolving context, in particular of the gas utility.

21 And the Commission has confirmed the issues  
22 that we raised late last year, and suggested that  
23 there be an inquiry, are properly situated within this  
24 proceeding, and that that should entail an  
25 articulation of the regulatory objectives particularly  
26 for a gas distribution utility at this point. And

1           then what should flow from that is ensuring that we  
2           have mechanisms in place that pursue those articulated  
3           objectives. And I would submit, I don't want to get  
4           too much into the weeds here, but may well indicate  
5           that a "business as usual" approach, whether it's cost  
6           of service or PBR, is out of step with the needs of  
7           the times. There is fundamental questions, I submit,  
8           that this Commission needs to ask itself, and that  
9           should frame at least part of this proceeding.

10                       Regarding the specific questions that have  
11           been posed by the Commission, at this point the Union  
12           has no intention to file intervenor evidence. That  
13           may be revisited probably after a second round of  
14           information requests, but is unlikely.

15                       On the question of an oral hearing, in my  
16           submission, we assume that it is highly probable that  
17           in an application of this significance, covering a  
18           five year term, as Ms. Worth has described it, it is  
19           probably not realistic to suppose that a written  
20           proceeding will fit the bill, and that an oral hearing  
21           will be required. Exactly what should be on the  
22           agenda may be affected significantly by the state of  
23           play once the information requests are completed.  
24           There may be consensus among parties that a number of  
25           issues are essentially addressed thoroughly enough  
26           through the IR process, that further process to obtain

1 evidence on the record is not necessary. So it may be  
2 premature to close that off.

3 But we do submit that an oral hearing is  
4 required to address policy issues, including the  
5 context of the application, including climate policy  
6 and objectives for the next regulatory cycle. And  
7 regarding the MRP itself, its degree of alignment with  
8 articulated objectives, and the efficacy of the  
9 mechanisms that make it up.

10 Regarding the timetable, we have no issues  
11 to raise except that the -- at least with respect to  
12 the proposed timetable proposed by Fortis, we see the  
13 placeholder for potential oral hearing, or SRP if  
14 there is intervenor evidence. Week of Monday,  
15 December 16<sup>th</sup>, we trust that that signify some  
16 assumption that we are looking at a one-week hearing.  
17 Just saying that. That we need to be realistic in  
18 terms of the duration, and I know that we've got a BC  
19 Hydro oral public hearing that springs to life late in  
20 January. So there may be some juggling required to  
21 make sure that those proceedings can fit cheek-by-  
22 jowl, so to speak.

23 THE CHAIRPERSON: So can I understand your suggestion  
24 we don't meet on Christmas Eve?

25 MR. QUAIL: Christmas Eve. If we do, there may be an  
26 intervenor wearing a red suit. I wouldn't want to



1           some very summary process, in my submission, would be  
2           adequate in that situation.

3                         In relation to question 5, what  
4           alternatives would be available to set permanent rates  
5           in the event that some or all of the elements proposed  
6           in the application are not approved? In my submission  
7           that's simply premature at this point. It'll be much  
8           closer to that situation, particularly after the  
9           second round of information requests and a probable  
10          further procedural conference. There are many  
11          possibilities at that point, a number of those have  
12          been canvassed. The Commission has considerable scope  
13          in its jurisdiction to decide what to do, but in the  
14          end it needs to set rates that comply with the Act for  
15          the upcoming fiscal year of the utilities.

16                         And I'll hold my fire on Mr. Hobbs's  
17          proposal until I've heard exactly what he is  
18          proposing. So subject to any questions, those are my  
19          submissions at this point.

20 THE CHAIRPERSON:       Thank you, Mr. Quail.

21                         Mr. Hobbs?

22 **SUBMISSIONS BY MR. HOBBS:**

23 MR. HOBBS:            Mr. Chair, I'm going to begin by making  
24          comments with respect to whether or not a cost of  
25          service application should be directed.

26 THE CHAIRPERSON:       Should be -- I'm sorry?

1 MR. HOBBS: Whether or not it should be directed and my  
2 submission is that it should be directed.

3 THE CHAIRPERSON: Okay.

4 MR. HOBBS: I'm going to make an effort to define what  
5 a cost of service application is, at least what my  
6 expectations are with respect to the cost of service  
7 application. I'm going to refer briefly to some IR  
8 responses and then I'm going to close with your  
9 questions. If that's a satisfactory way for me to  
10 proceed I will do that.

11 THE CHAIRPERSON: Sounds reasonable.

12 MR. HOBBS: Okay. So first, there are two reasons, in  
13 my view, why you should direct a cost of service  
14 application. And Mr. Andrews' questions have the  
15 answer, if you will.

16 The first one is, in my view you cannot  
17 establish a rebase cost for FortisBC in the absence of  
18 a cost of service application, and I'll deal with  
19 that, that question in some detail. And secondly, you  
20 need to make it available so that it is an  
21 alternative, otherwise you -- as Mr. Weafer says, you  
22 really don't have an alternative before you. FortisBC  
23 would have you believe that granting my request for  
24 the direction is tantamount to denying their  
25 application. It's simply not true. But, not granting  
26 the direction will deny -- because you will simply not

1           have that evidence before you, will deny cost of  
2           service as an alternative to their MPR.

3                       The two can be dealt with in the same  
4           proceeding quite efficiently. There's no need for  
5           there to be a sperate proceeding as has been suggested  
6           by a number of the parties. They can be dealt with  
7           concurrently and they should be. For the purposes of  
8           establishing the base you need cost of service  
9           evidence, you don't have it. And for -- this is my  
10          second reason, so that there's alterative, you need  
11          it. So it's not tantamount in any way to denying the  
12          application. It would only be that if you couldn't  
13          deal with them concurrently in the same proceeding,  
14          and you can, and quite efficiently, and normally you  
15          would, it would be my submission.

16                      So let me -- I'm going to run through Mr.  
17          Andrews' questions. The issue of jurisdiction and  
18          whether or not you have the jurisdiction to grant my  
19          request for a direction did not occur to me and it  
20          didn't occur to me because the establishment of rates  
21          is your core mandate. Under Section 61 and the  
22          sections sort of 58 to 61, it's very clear  
23          establishing rates is your core mandate. If you do  
24          not have the ability, the jurisdiction to direct a  
25          utility to file a cost of service application I would  
26          be shocked. It's not much of a legal argument. If



1 provides you with -- sometimes based on their budget,  
2 a line-by-line analysis of their costs. They are  
3 examined on a line-by-line basis to establish a  
4 revenue requirement. That revenue requirement is  
5 compared to the demand, or the load, for the year in  
6 question, which is usually a forecast -- or the  
7 forecast basis, and the rates apply to that, and you  
8 get a difference between the revenue requirement  
9 determined by the cost of service and revenue  
10 requirement that would be reasonably recovered based  
11 on the old rates and you adjust the rates accordingly.  
12 That, in a nutshell, is a cost of service application.

13 PBR application or the MRP works on  
14 formulas, so you're not actually looking at costs.  
15 You are looking at formulas. But those formulas need  
16 to start somewhere, and they need to start with a base  
17 that's established by cost of service principles. And  
18 that base is not here.

19 There was an opinion offered on this issue,  
20 and you will see it in B-8 ICG 1.1.1, an opinion of  
21 the expert witness or firm of FortisBC in the last  
22 proceeding. And they state, I think very clearly and  
23 unequivocally, that there needs to be a close nexus  
24 between the cost of service application or cost of  
25 service application and of the base year that might  
26 apply to an MPR. And I don't think there's a dispute

1 here with respect to whether or not -- the length of  
2 time from the last time that you saw a cost of service  
3 application for FortisBC and today is too long to use  
4 those numbers. In my submission, you can't use the  
5 cost of service evidence from the last proceeding in  
6 this proceeding to determine fair and reasonable rates  
7 for the purposes of establishing base costs for  
8 Fortis. And I think Fortis has, implicitly at least,  
9 acknowledged that when they proposed to rebase based  
10 on actual or projected 2020 costs.

11 I don't think you should accept actual,  
12 either for the purpose of rebasing or for the purposes  
13 of interim. It's tantamount -- I like that word now  
14 that I've heard it from Fortis. It's tantamount to  
15 accepting on a *prime facie* basis -- because interim  
16 rates are established on a *prima facie* basis, it's  
17 tantamount to accepting that whatever Fortis has spent  
18 in 2018 is okay. And that -- you don't have any  
19 reason, you don't have any basis for concluding that.  
20 So you shouldn't establish the base based on actual  
21 for 2018.

22 **Proceeding Time 10:15 a.m. T17**

23 The key about the -- the critical element  
24 of rebasing is that they need to be based on rates or  
25 costs that the Commission has concluded are fair and  
26 reasonable. That's why you have in past proceedings

1 looked to previous decisions. Because in those  
2 previous decisions you've determined that their costs  
3 are fair and reasonable.

4 Well, you have no way to conclude that  
5 their actual costs for 2018 were fair and reasonable.  
6 In the absence of that, you simply can't approve their  
7 approach to establishing interim rates for next year,  
8 because you don't know whether they were fair and  
9 reasonable. You don't know if they meet that *prima*  
10 *facie* evidence, that *prima facie* threshold that is  
11 appropriate or is necessary for you to establish  
12 interim rates.

13 And it would be an unfortunate precedent, I  
14 would suggest to you, to conclude that merely because  
15 the utility spent that money in 2018, that that  
16 establishes the *prima facie* threshold for the purposes  
17 of interim rates. Should not do that.

18 The question came up, and I hope it's  
19 implicit in my two reasons for why you should direct a  
20 cost of service application, one being that you need  
21 it for the purposes of establishing the base. And  
22 two, for there to be an alternative available. I  
23 think you need to make the direction, but I don't  
24 think that you need to direct how many years, number  
25 of test periods. I don't think -- in fact, in my  
26 view, it's unnecessary for you to give that direction

1 to FortisBC. If they conclude that they only want to  
2 file a cost of service application for 2020, that  
3 would be fine. If they want to do it for a multi-year  
4 period, which I think would make more sense, even  
5 better. But in the absence, as I say, in the absence  
6 of a cost of service application, you can't determine  
7 what the appropriate base rates are, or base costs  
8 are, then there is no alternative available to you at  
9 the end of the proceeding.

10 So, I am hoping that I have answered Mr.  
11 Andrews' questions. I will add that on the interim  
12 application, I support Mr. Weafer's approach, and  
13 others, that it be based on a cost of service  
14 application. It's not something that you need to  
15 issue an order on until about the middle of December.  
16 There is lots of time for FortisBC to -- in the  
17 meantime, to file a cost of service application, and  
18 then seek interim rates based on that. And I think  
19 that would be very efficient, and very reasonable  
20 expectation that Fortis would do that. And so I agree  
21 with Mr. Weafer. The interim application should be  
22 based on the cost of service application.

23 Let me turn now to the response. I said  
24 earlier that in the last proceeding, FortisBC's expert  
25 witness or firm, said that you needed to have a close  
26 nexus between cost of service evidence and in my view

1 a decision to the current application in order to  
2 establish a base cost.

3 **Proceeding Time 10:20 a.m. T18**

4 Fortis' response is interesting. They  
5 effectively say, well, it's not necessary for there to  
6 be a cost-of-service application because we have these  
7 actuals. Well, I've already commented on the merits  
8 of those actuals which they propose to use for the  
9 base, so I probably don't need to say any more about  
10 that.

11 THE CHAIRPERSON: Do you have a reference that you're  
12 referring? It's from the last hearing?

13 MR. HOBBS: Yeah, in the last hearing. You will see  
14 their expert's opinions. It's in ICG 1.1.1, Exhibit  
15 B-8.

16 And it's also, just to probably complete  
17 the record on that, in Exhibit B-8 ICG 1.2, Fortis has  
18 clearly stated that in their view there is  
19 insufficient evidence for you to consider any  
20 alternatives to the proposed MRP mechanism. It's  
21 true. It's true in the sense that Fortis has not yet  
22 provided you with sufficient evidence for you to  
23 establish or approve any alternative to MRP. Fortis  
24 has said so. I agree with them. But that's the  
25 reason why you need to give the direction, because  
26 otherwise they won't do it.

1                   And they refer in their response to their  
2                   operating efficiency study -- the two should not be  
3                   confused. There's a huge difference between a cost of  
4                   service application and the study that was done to  
5                   establish efficiency. Even if I was to agree with you  
6                   this morning that -- or agree with FortisBC this  
7                   morning that there's evidence that they're operating  
8                   efficiently, that doesn't go to whether or not their  
9                   costs are appropriate. It just means that compared to  
10                  other utilities they are doing okay, arguably. It  
11                  doesn't mean that they're costs are fair and  
12                  reasonable.

13                  You have to look at the unique  
14                  circumstances of the utility to determine whether or  
15                  not their costs are fair and reasonable, and I would  
16                  submit to you that the operating efficiency study does  
17                  not help you in that regard.

18                  Now, turning to your questions. We do not  
19                  intend -- the ICG at this point in time does not  
20                  intend to file evidence in this proceeding, but I'd  
21                  like to reserve the opportunity based in part on your  
22                  decision regarding the request for my direction, and  
23                  the second round of IRs --

24 THE CHAIRPERSON:     Mr. Hobbs, before you go any further.  
25                  It's been weighing heavily on my mind. Just so I'm  
26                  clear on what you are asking. You're asking us to

1 provide direction for them to file an application, a  
2 cost of service application. Now, do you mean a  
3 separate application over here or do you mean as part  
4 of this hearing as a -- to establish based or (b) as  
5 an alternative in the event it were turned down?

6 MR. HOBBS: Yeah, I mean as part of this proceeding.

7 THE CHAIRPERSON: Thank you. Okay, I wanted to be clear  
8 on that.

9 MR. HOBBS: Yeah, as part of this proceeding.

10 As for whether or not it should be written  
11 or oral, I do again think that Fortis is correct that  
12 that should wait, your decision in that regard should  
13 wait until after the second procedural conference  
14 should there be one. If not, then I think a second  
15 round of information requests should be sufficient.

16 With respect to the process steps in the  
17 timetable, I believe the timetable needs to be changed  
18 if you grant my request for direction for the filing  
19 of the cost of service application, and that  
20 undoubtedly will require other changes to the  
21 schedule. But I think you should make them.

22 **Proceeding Time 10:25 a.m. T19**

23 In terms of the process, not the schedule  
24 that is laid out -- but for the inclusion of a date  
25 for a response to your direction, the filing of an  
26 application, the process itself, we would take no

1           exception to.

2                       I do, however, distinguish that from  
3 Fortis' comments about scope. I don't think you  
4 should establish scope at all if it's a written  
5 proceeding. If it's an oral proceeding, perhaps, but  
6 only at the time following the second procedural  
7 conference. I wouldn't do it until then.

8                       FortisBC made a comment about being a fair  
9 hearing. Of course there is going to be a fair  
10 hearing. There is so much discretion and flexibility  
11 with respect to your processes, that whether the  
12 process includes a cost of service application or not,  
13 doesn't go to the issue of whether or not there is  
14 going to be a fair hearing. I was surprised to hear  
15 FortisBC make that submission to you. Because I  
16 wouldn't accept it, it's a bit insulting even. You  
17 can, and I'm sure you will ensure that there is a fair  
18 hearing, and that doesn't change whether the  
19 application for the cost of service -- or whether cost  
20 of service application is part of this or not.

21                       I have no more submissions.

22 THE CHAIRPERSON:       Okay. Questions? Thank you.

23 MR. HOBBS:            Thank you.

24 THE CHAIRPERSON:       I see we've been at it for an hour  
25 and a half, and it might be nice to give the court  
26 reporter a short break. Perhaps we come back at maybe



1 the Commission does not have jurisdiction to direct a  
2 utility to file any specific application, or to direct  
3 the way that the utility will construct its basis to  
4 say that the rates that would flow from an application  
5 would be fair and reasonable. Bearing in mind that  
6 the rate setting mechanism is the means of getting  
7 from point A to B, where B is fair and reasonable  
8 rates.

9 The Commission of course can request  
10 different kinds of applications, but in my submission,  
11 has no jurisdiction under the *Act* to require it. And  
12 it doesn't take too much further extrapolations. Or  
13 maybe this is sort of reduction to the absurd, but it  
14 would become a point where in effect -- I mean, why  
15 bother with a utility, the Commission telling a  
16 utility "This is what we want you to apply for and how  
17 you want to construct your justification for rates,"  
18 is in my submission, overstepping the jurisdiction  
19 that is granted to this Commission. Which in the end  
20 is about determining that rates are fair and  
21 reasonable when it comes to revenue requirement. And  
22 various associated orders that are made regarding  
23 capital expenditures and other matters that flow into  
24 the construction of fair and reasonable rates.

25 Regarding the question of year one, whether  
26 it is a PBR or multi-year rate plan or cost of

1 service, in my submission there is a basis for the  
2 Commission to conclude that Fortis' assertion that the  
3 difference would not be that material. That that is  
4 well founded. Essentially the cost of service process  
5 consists to a large extent of trueing up the numbers  
6 spilling out of the last test period and projecting  
7 forward for the very limited period of a year. And  
8 with perhaps some tweaks to it, but the actual content  
9 of rebasing for the first year of a multiple year test  
10 period, and the process and the issues involved in  
11 setting a one year cost of service are not that  
12 different. There may be some differences. This is  
13 why I'd suggested that Fortis might be expected to  
14 provide some justification for its assertion that  
15 really we are not talking about a material enough  
16 difference that when the Commission plugs in a number  
17 for interim rates, it is not setting up the potential  
18 for all kinds of mayhem, or even on a lesser scale,  
19 that it is reasonable in terms of avoiding an undue  
20 degree of deviation from what would be established  
21 when permanent rates are set.

22 **Proceeding Time 10:47 a.m. T22**

23 And I would also point out that legally the  
24 rates in place to the end of the current PBR term are  
25 fair and reasonable. They are the result of a  
26 Commission determination that has determined those.

1           So really the entire question is what does next year  
2           look like? This year, subject to any review processes  
3           and so on and updating and tweaking, under the current  
4           formula the issue is what does next year look like,  
5           and my submission, it isn't unreasonable to suggest  
6           that those two different approaches, one-year cost of  
7           service versus truing up for the opening year of a  
8           five-year term are likely to really be that materially  
9           different, but there is a means for Fortis to provide  
10          comfort to the Commission in that regard.

11                        So subject to any questions that's all I  
12          have to say at this point.

13 THE CHAIRPERSON:        Thank you, Mr. Quail.

14                        Mr. Andrews?

15 **REPLY BY MR. ANDREWS:**

16 MR. ANDREWS:        My understanding is that there are two  
17          elements to what ICG is asking the Commission to do.  
18          ICG is asking the Commission to direct Fortis, both  
19          companies, to apply for rate -- for approval of rates  
20          for 2020 on a permanent basis where those rates have  
21          been determined on a cost of service methodology. And  
22          that the second thing is that the Commission is being  
23          asked to direct Fortis to apply for rates for 2020 on  
24          a cost of service basis that would be used to rebase  
25          in the event that a PBR framework, as proposed or  
26          otherwise, is approved.

1 I can't say that -- and it's not up to me  
2 to ultimately understand exactly what is being  
3 requested. I would comment that this might be the  
4 kind of thing where an application should be made in  
5 writing so that people can scrutinize more closely  
6 what exactly is being requested. In all of this I  
7 want to emphasize that I'm not taking a position pro  
8 or con the generic concept of whether cost of service  
9 is better than PBR or whether in this particular  
10 circumstance the outcome should be one or the other,  
11 this is a procedural issue.

12 It seems to me that the rebasing issue is a  
13 bit clearer than the other aspect. I do, like Mr.  
14 Quail, have kind of a conceptual problem with the  
15 characterization of the 2018 rates as not being based  
16 on a fair and reasonable -- or not being fair and  
17 reasonable or being based on a fair and reasonable  
18 revenue requirement given that legally speaking they  
19 were based on a Commission approved revenue  
20 requirement determined according to a methodology that  
21 the Commission also approved in the same way that the  
22 Commission is entitled to approve rates based on  
23 another methodology, namely the cost of service  
24 methodology. But I don't think that removes whether  
25 the rebasing -- if there's going to be a PBR, you  
26 know, how that rebasing should be done.

1 **Proceeding Time 10:51 a.m. T23**

2 So with those comments I'll leave it at  
3 that. Except I do note that because of the way the  
4 order of appearances has played out Mr. Hobbs is at  
5 the very end of the list and he made his request when  
6 he spoke and so now comments are being made on his  
7 request and other things -- you know, unless something  
8 else is done, he would not have an opportunity, for  
9 example, to respond to me, and he or you may want to  
10 address that.

11 Those are my submissions, subject to any  
12 questions.

13 THE CHAIRPERSON: Thank you, Mr. Andrews. Mr. Bystrom,  
14 Mr. Andrews put forth that it may be wise to have the  
15 opportunity for Mr. Hobbs to respond to what's being  
16 said. Do you have a problem with that, and if you  
17 don't, when would that be appropriate from your point  
18 of view?

19 MR. BYSTROM: No, we don't have a problem with that.  
20 So if Mr. Hobbs is going to be afforded the  
21 opportunity to respond to all submissions I suppose  
22 that would be after FortisBC makes its submissions,  
23 and I would just reserve the right for sur-reply as  
24 they say, in case Mr. Hobbs raises new issues in his  
25 comments.

26 THE CHAIRPERSON: All right, that's all how we'll do it

1           then, thank you.

2                           Ms. Worth.

3       **REPLY BY MS. WORTH:**

4       MS. WORTH:    Mr. Chairman, members of the panel, I wanted  
5                    to start by saying that BCOAPO does not necessarily  
6                    support Fortis' position that asking for a cost of  
7                    service application is tantamount to a pre-emptive  
8                    denial of the utility's MRP application. In my mind  
9                    that's analogous to an intervener taking the position  
10                   that the Commission inviting the utility to file for a  
11                   PBR is tantamount to an approval of any application of  
12                   that format. However, we do acknowledge that it might  
13                   appear to the public that such a request may be doing  
14                   so, and may be indicating a bias, or be perceived as  
15                   indicating a bias, and that's something that we  
16                   believe that it's important for the Commission to  
17                   avoid.

18                           So I'm making sort of a policy argument.  
19                   Mr. Quail's already made the legal argument that he  
20                   doesn't believe that there's actually jurisdiction,  
21                   and based on a preliminary look at the *Act*, I have to  
22                   agree. But there's also, in my mind, a policy reason  
23                   to reject Mr. Hobbs' application.

24                           Now, absent any sort of decision by the  
25                   Commission to have written submissions on this and  
26                   further submissions from Mr. Hobbs regarding what he

1 sees as support for the actual jurisdiction to do so,  
2 I think we're going to rest. We don't have any reply  
3 to anybody else's submissions. It seems that a lot of  
4 the parties are in agreement on the things that were  
5 of great importance to our clients.

6 Subject to any questions, those are our  
7 submissions. Thank you.

8 THE CHAIRPERSON: Thank you, Ms. Worth.

9 Mr. Weafer.

10 **REPLY BY MR. WEAFER:**

11 MR. WEAFER: Thank you, Mr. Chairman. I'll just take  
12 the Commission to Section 60.1(b)(i) of the *B.C.*  
13 *Utilities Commission Act* which states that:

14 "In setting a rate under this *Act*, the  
15 Commission may use any mechanism, formula, or  
16 other method of setting the rate it considers  
17 advisable, and may order that the rate derived  
18 from such a mechanism, formula or other method  
19 is to remain in effect for a specified period of  
20 time."

21 That does not say that what the company has applied  
22 for is what you have to approve. That says that you  
23 can look at different ways of setting rates, and cost  
24 of service is the most common alternative in the  
25 regulatory world.

26 So the jurisdictional arguments have not

1        been fully laid out today. You may want to have  
2        those, but to my mind it's readily apparent that that  
3        is an alternative that can be considered. The only  
4        way it can be considered is if the Commission uses its  
5        ability to seek information as to what would the cost  
6        of service look like. And you certainly have that  
7        jurisdiction to ask for information as part of our  
8        regulatory process.

9                So with respect to Mr. Hobbs seeking a  
10        direction, I'm not sure that's necessarily what's  
11        required here. We have an application process and  
12        there's some information that may be helpful to the  
13        panel in assessing how we should go forward with this  
14        utility for the interim rates, in the first instance,  
15        because we certainly haven't considered the MRP model,  
16        as I said earlier. So cost of service is at least a  
17        common approach, universally recognized in the  
18        regulatory world as to how rates are set for  
19        utilities. It is the common approach, in fact.

20                So I'm wrestling with the arguments of my  
21        friends that this Commission doesn't have the  
22        jurisdiction to look at alternative approaches to  
23        setting rates when we're looking at a five-year period  
24        for the two major private utilities operating in the  
25        jurisdiction. So again, you may, based on the  
26        comments, you may want to have written submissions on

1 jurisdiction, but I am aligned with Mr. Hobbs in terms  
2 of your overall jurisdiction, in your role of  
3 regulating the utilities.

4 **Proceeding Time 10:51 a.m. T24**

5 And specifically with respect to looking at rate  
6 setting mechanisms, the *Act* clearly says it is what  
7 you think is advisable. And if you need information  
8 to look at an alternative, you have every power and  
9 authority to ask for it.

10 Those are my submissions.

11 THE CHAIRPERSON: Thank you.

12 MS. WORTH: Mr. Chair, panel, may I clarify my comments  
13 for just a moment?

14 THE CHAIRPERSON: Certainly.

15 **REPLY BY MS. WORTH:**

16 I apologize, Mr. Chair, members of the  
17 panel if I wasn't clear with what the gist of my  
18 submissions were. My argument wasn't that the  
19 Commission lacked the jurisdiction to consider a cost  
20 of service application. It was that in my mind the  
21 Commission lacks the jurisdiction to order the utility  
22 to actually file that. As I've stated in my  
23 submissions, we are intending to pursue information  
24 that would support an analysis based on a cost of  
25 service basis, and I think that Mr. Weafer's position  
26 that the Commission has -- certainly has the

1 jurisdiction to do so as well, would be in line with  
2 what our position was. I just didn't want the  
3 Commission to think that I was arguing that you  
4 couldn't actually consider that, and to seek  
5 information supporting that. Thank you.

6 THE CHAIRPERSON: Thank you for the clarification. So  
7 we are back to Mr. Bystrom.

8 MR. BYSTROM: I think I'd request an hour to compose  
9 some reply comments. The reason for that is a number  
10 of important issues have been raised with respect to  
11 our application that we would like to respond in a  
12 helpful way. And we think that if we had some time to  
13 compose our thoughts more fully, that we can clear a  
14 lot of these issues up and it will be more helpful to  
15 the panel. And so, we would request an hour at least  
16 to prepare our thoughts.

17 THE CHAIRPERSON: Would you mind if I canvass the  
18 participants? Does anybody have difficulty with that  
19 request?

20 All right, let's adjourn for now, and meet  
21 back at 1 o'clock -- or 12 o'clock, sorry.

22 **(PROCEEDINGS ADJOURNED AT 10:59 A.M.)**

23 **(PROCEEDINGS RESUMED AT 12:00 P.M.)** **T25/26**

24 THE CHAIRPERSON: Please be seated.

25 Mr. Bystrom, I assume you've used the hour  
26 to good measure?

1 MR. BYSTROM: I've tried my best, thank you.

2 **REPLY BY MR. BYSTROM:**

3 Thank you for that time, we appreciate it.  
4 I will address and make some reply submissions in the  
5 order addressing the issues identified by the panel.

6 For item one and two, I don't have any  
7 reply submissions to make at this time, or at all.

8 And then item three, the timetable, just a  
9 few quick comments. My friend Ms. Worth for BCOAPO  
10 had a couple of comments on the timetable. She  
11 requested a couple of days to file their IRs I  
12 believe. We have no problem with that if it is  
13 limited to BCOAPO only. We can deal with that in the  
14 time allotted for us to respond, but obviously if  
15 there is going to be adjustment for all, then we'd  
16 need more time to respond.

17 Ms. Worth also noted that Mr. Bell is not  
18 physically able to be here from November 1 to 18.  
19 Looking at the timetable, we don't see this as being  
20 an issue for the dates we've proposed, as no oral  
21 component is scheduled or has a placeholder during  
22 that time.

23 And then in response to some of the other  
24 submissions on the times for the oral hearing  
25 component, if it is determined to be needed, we just  
26 propose that dates be canvassed in the next procedural

1 conference, assuming one is ordered.

2 So, turning now to items four and five, I  
3 will address these together. And I thought it might  
4 be best to start off with a little bit of background  
5 on the application that has been filed by FortisBC.  
6 The genesis of that really goes to the decisions this  
7 Commission, out of the 2014 PBR applications, and the  
8 Commission's decision had some indications that  
9 another PBR application was anticipated, a  
10 benchmarking study was directed to be filed to inform  
11 the next PBR application, as was stated in the  
12 decision. So, we had some reasons to anticipate that,  
13 to expect I should say that a PBR application was  
14 anticipated.

15 In preparing the application, FortisBC did  
16 consider the concerns of intervenors and the lessons  
17 learned over the current PBR plan. FortisBC was aware  
18 that some intervenors prefer the cost of service  
19 approach, and importantly, FortisBC considered its  
20 operating environment, and especially the policy  
21 environment that it is in going forward. And the  
22 proposed MRP application reflects those learnings, and  
23 what we've heard from intervenors.

24 And while some of the submissions today  
25 have suggested that cost of service versus PBR is  
26 black and white dichotomy, it is one or the other, it

1 is simply not the case. Our application is an example  
2 of a hybrid approach.

3 **Proceeding Time 12:04 p.m. T27**

4 In response to some of the concerns we  
5 heard, we have adjusted the approach so that for  
6 instance, all the capital is based on a forecast, cost  
7 of service basis. And in fact, the majority of the  
8 application is a cost of service application. There  
9 are only two portions that are based on a formula.  
10 Those are the O&M, the vast majority of the O&M, and  
11 then the growth capital for FEI.

12 And it's important for me to explain a  
13 little bit how the company's determined those amounts  
14 for 2020. So for the O&M formula amount, the  
15 companies took their 2018 actual amounts and made  
16 adjustments to come up with what is required O&M for  
17 2020. For growth capital, the proposal is that the  
18 company would be forecasting customer additions, just  
19 like it would do under cost of service. It would then  
20 multiply it by the unit costs which are calculated  
21 using actuals with adjustments to come up with the  
22 2020 requirements.

23 The point of those submissions is that for  
24 2020 the proposal is very similar, if not the same, as  
25 a cost of service approach. And in fact, if you ask  
26 the companies, what would your forecast cost of

1 service be for O&M or for growth capital for FEI  
2 today, the answer would be the same as what we  
3 proposed in the application. Our application has set  
4 out what we believe we need, and the numbers would not  
5 change materially if it were under a cost of service  
6 approach.

7 And so when we say in our IR responses that  
8 we don't anticipate that the rates for 2020 would be  
9 materially different under the cost of service versus  
10 what we proposed, the reason for that primarily is  
11 because there's only two things that are not cost of  
12 service. And the way we proposed those things, we  
13 said is that for 2020, that would be the base that  
14 would reflect our needs in that year.

15 Now, also I want to emphasize in response  
16 to a number of submissions by Mr. Hobbs, that you  
17 don't have to -- that he said that those numbers have  
18 to be tested. He said that assumes -- that FortisBC  
19 is assuming that their actuals are okay. Well, what  
20 we're saying is that in this proceeding, the BCUC and  
21 interveners can test that evidence. We've made our  
22 proposal. That evidence can be tested in this  
23 proceeding through IRs and through argument or the  
24 usual mechanisms in a proceeding of this nature.

25 I also wanted to just point out, reference  
26 has been a couple of times to the proposal that MoveUP

1           made earlier in the year regarding an inquiry which  
2           was denied. In that application -- in the  
3           Commission's response to that inquiry it invited  
4           MoveUP and interveners to bring forward proposals for  
5           alternative ratemaking plans in this proceeding when  
6           it began. So it was contemplated earlier on, already,  
7           that this would be the place that these issues would  
8           be aired. This just goes to the point that this is  
9           the proceeding in which our evidence can be tested.  
10          We put forward a proposal, this is the proceeding in  
11          which questions can be asked, evidence filed,  
12          arguments made about what should be the rates going  
13          forward. As I've said, our 2020 ask is based on what  
14          we think we need for 2020. It's not going to be  
15          materially different if it's cost of service or PBR.

16                   Now, Mr. Hobbs referenced the ICG IR 1.2,  
17          where FortisBC said the evidence wasn't on the record  
18          now to set cost of service rates, and I think it's  
19          worth clarifying why we said that.

20   **Proceeding Time 12:08 p.m. T28**

21                   First, the framework we've proposed  
22          contemplates that there's a number of elements that  
23          get forecast each year. So we haven't provided that  
24          yet. The application is a framework. We will be  
25          providing that in our interim rate applications as we  
26          mentioned. So all those forecast items will be

1 available to the Commission.

2 We are also talking about the fact that  
3 this is a five-year multi-year ratemaking plan  
4 proposal. It would be very difficult to provide a  
5 five year forecast for all the items that would be  
6 required, such as a demand forecast. We haven't  
7 provided that yet and we couldn't do so. We propose  
8 to file those forecast times each year through the  
9 annual review process.

10 I also want to responds to Mr. Hobbs'  
11 contention that in essence the only way to set the  
12 base year is through cost of service evidence.  
13 There's a number of points I could make in response to  
14 that, but first of all I think implicit in that  
15 argument is that the only way the Commission can set  
16 rates is on cost of service evidence. That is simply  
17 not the case. *Utilities Commission Act* empowers the  
18 Commission to be able to set rats based on formulas or  
19 other mechanisms. Legally Mr. Hobbs' submission is  
20 just incorrect.

21 Secondly, in the 2014 PBR proceedings the  
22 Commission in fact set the base O&M based on 2013  
23 actuals adjusted, which is very similar to what we  
24 have proposed. The *Utilities Commission Act* does not  
25 prescribe certain types of evidence which must be  
26 filed. It just doesn't work like that. The

1 Commission has to be satisfied based on the evidence  
2 before it that the rates are reasonable and just. We  
3 have -- there's a lot of evidence on the record  
4 already, the proceeding is not done, and in our  
5 submission at the end of the day the rates we proposed  
6 will be supported by evidence and the Commission can  
7 -- will be able to conclude that they are just and  
8 reasonable.

9 I also note that PBR, base year for PBR is  
10 set on actuals in other jurisdictions as well. It's  
11 simply not the case that you require cost of service  
12 forecast to set the base for a PBR formula. And I  
13 just reiterate the point that we're not trying to  
14 avoid evidence being tested. We've made our proposal.  
15 We fully suspect that -- except, sorry, that BCUC and  
16 interveners will test our evidence. There's questions  
17 about the base requirements, that's what the IR  
18 process is for, that's what argument is for. The  
19 issues can be explored and tested in this proceeding.

20 I also want to address comments in response  
21 to my initial submission that Ms. Hobbs' request for a  
22 direction for a cost of service application is  
23 tantamount to denying our application and I maintain  
24 that submission. And I think one only needs to think  
25 about what does it mean to file an application? It  
26 means we'd be filing an application for the Commission

1 to approve something. We'd be saying, "Here's our  
2 evidence, please approve this." And what Mr. Hobbs is  
3 saying, "Direct Fortis to file something that is  
4 inconsistent with the approvals they are currently  
5 seeking from the Commission." We can't have two  
6 inconsistent proposals, asks before this Commission at  
7 the same time, it simply doesn't make any sense.

8 We've proposed a five-year ratemaking plan.  
9 We could not propose a five-year cost of service  
10 application. So that means we're looking at something  
11 between one to three years, it's inconsistent with  
12 what we currently have before the Commission.

13 **Proceeding Time 12:12 p.m. T29**

14 And if Mr. Hobbs actually just meant, as  
15 Mr. Weafer, I think was moving towards, that it's just  
16 requesting information what cost of service would look  
17 like for 2020 or some further evidence, well, we have  
18 an IR process in this proceeding for further  
19 information to be requested.

20 I'm going to turn to making submissions  
21 regarding to interim rates. As I addressed in my  
22 initial submission, I mentioned again, intend to file  
23 rates -- sorry, application for interim rates in  
24 October of this year. At that time we will bring  
25 forward the evidence for forecast items to kind of  
26 fill out the framework that's in the current

1 application, so that the Commission has *prima facie*  
2 evidence to set rates for 2020. We do not think there  
3 should be a significant process on interim rates. Our  
4 forecasts that we will be bringing forward will be  
5 tested on the procedures that we envisioned in the  
6 annual review process for 2020 permanent rates. And  
7 like some of my friends have also submitted, an  
8 interim rate application is not the time to test the  
9 merits of evidence, or the merits of PBR versus cost  
10 of service. That would be premature and counter to  
11 the idea of an interim rate application. The idea is  
12 to set a placeholder to give time for the permanent  
13 rate application to run its course, for the process to  
14 be completed and for the Commission to make a  
15 determination so that permanent rates can be set. The  
16 *prima facie* evidence is just needed for the Commission  
17 to have some evidentiary foundation for the interim  
18 rates it's approving. And in my submission, Fortis  
19 has a solid track record based on the previous annual  
20 reviews in the current PBR plan, that its forecasts  
21 have been reasonable. I think the Commission -- we  
22 will be filing evidence to support our forecasts, and  
23 in my submission, the Commission will be confident  
24 that it will have the evidence it needs to approve  
25 interim rates for 2020.

26 I also want to address the submission of

1 Mr. Weafer that somehow it's going to be impossible to  
2 unravel the interim rates and make permanent rates.  
3 In my submission, there is simply no cake to unbake in  
4 this case. Interim rates are a common practice. We  
5 use them frequently. Permanent rates are set, refunds  
6 are given. The differences are collected, it's been  
7 done many times. We did it for the 2014 PBR  
8 application. The permanent rates weren't set until  
9 September of 2014. During that time we didn't know if  
10 the Commission was going to approve the PBR  
11 applications as filed. The interim rates in that case  
12 were set based on our proposed framework, but we  
13 didn't know if they were going to be approved  
14 ultimately by the Commission. Commission came with  
15 its decision, approved some elements, not others. We  
16 filed a compliance filing, and permanent rates were  
17 set. I don't think there is any material difference  
18 in that regard to this proceeding. We are in the same  
19 position.

20 And I also just wanted to submit that  
21 interim rates do not presuppose the application will  
22 be approved. Even if the interim rates are based on  
23 that application, they don't presuppose that  
24 application is going to be approved. If the  
25 Commission ultimately doesn't approve that, the  
26 interim rates still stand, based on the terms of the

1           order that the Commission approves of. So if the  
2           Commission approves interim rates until permanent  
3           rates are set, they stand until permanent rates are  
4           set. The basis for them -- they don't fall apart  
5           because the original application for permanent rates  
6           is denied.

7                         So, in this case, if we applied for -- we  
8           will plan on applying for permanent rates based on our  
9           proposal in the application. If ultimately the  
10          Commission does not approve our permanent rates  
11          application, the interim rates would still remain in  
12          place until we get something in front of the  
13          Commission that is approved for 2020 permanent rates.  
14          And the kind of regulatory lag is common in other  
15          jurisdictions. We like to minimize it of course, but  
16          it is not unheard of for interim rates to remain  
17          outstanding until permanent rates are approved and if  
18          the panel has any questions on that point, I'd be  
19          happy to respond to those.

20                                 **Proceeding Time 12:17 p.m. T30**

21   THE CHAIRPERSON:         Just so I'm clear. So your position  
22                                 is that if the panel were to reject the application in  
23                                 its entirety but we previously approved interim rates,  
24                                 that they would hold until such time as permanent  
25                                 rates were agreed upon.

26   MR. BYSTROM:             Yes.

1 THE CHAIRPERSON: Okay.

2 MR. BYSTROM: And I believe that's consistent with the  
3 wording of the orders approving interim rates that  
4 I've seen in the past for the 15 years that I've  
5 practiced in front of this Commission. There's  
6 nothing in the interim rate order that suggests it's  
7 conditional on any other application being approved.  
8 The point is just to set that point in time back of  
9 which the Commission can then retroactively impose the  
10 permanent rates.

11 I thought I would also respond to the  
12 question from Commissioner Fung about the option of  
13 extending the current PBR plan. Yes, that could be  
14 done and we assume that that would be on a permanent  
15 rate basis, not interim rates. But we wouldn't  
16 recommend that for a number of reasons. It wouldn't  
17 resolve the ongoing issues we know we have with  
18 current PBR plans, particularly around capital. So  
19 that would mean that the companies would be above the  
20 capital formula amount again for another year, for  
21 instance.

22 Extending the current PBR plans wouldn't  
23 also address the policy changes in our operating  
24 environment that we know we have to deal with. It  
25 would delay implementation of the studies we've done  
26 in this application and other initiatives, and also it

1 would not avoid the need for interim rates at the end  
2 of the day. We wouldn't be able to get that done, I  
3 don't think, for January 1<sup>st</sup>, 2020. For the annual  
4 review process under the current PBR plan we've  
5 usually had interim rates in place. We haven't been  
6 able to get through that annual review process and a  
7 decision in time to actually implement permanent rates  
8 for January 1, we still would need interim rates.

9 And it would also just delay some of the  
10 rate effects that we know are coming from rebasing of  
11 capital and so on, and so we'd rather proceed with our  
12 current proposal which refreshes the studies, the  
13 capital and a number of other items. I think that's  
14 the preferable way to go.

15 And ultimately we've proposed this  
16 application, we think there's time for review. We  
17 don't think any issues have been raised today that  
18 would suggest that this application cannot proceed in  
19 the ordinary course. The interim rate process has  
20 worked many times in the past and there's no reason  
21 why it can't work again in this -- for 2020.

22 And that brings me to the end of planned  
23 submissions. Does the panel have any questions? I'd  
24 be pleased to respond.

25 THE CHAIRPERSON: I think I'm pretty clear, but I  
26 understand you'd like the opportunity for sur-reply

1 following Mr. Hobbs?

2 MR. BYSTROM: Yes, I am interested in what he has to  
3 say and if he raises new issues, I would like to be  
4 able to reply to those.

5 THE CHAIRPERSON: Okay, that sounds reasonable. Thank  
6 you, Mr. Bystrom.

7 Mr. Hobbs.

8 **REPLY BY MR. HOBBS:**

9 MR. HOBBS: Thank you, Mr. Chair. This is not in  
10 response to FBC's submissions, but I feel that I need  
11 to make this clear. My request for a special  
12 direction for the filing of a cost of service  
13 application is limited to FortisBC Inc. or FortisBC  
14 Electric. I do not represent customers of FEI, and I  
15 am afraid I may have created some confusion on that  
16 point, but just so the record is clear. My  
17 application is just with respect to FortisBC Electric.

18 **Proceeding Time 12:22 p.m. T31**

19 Let me begin by turning to comments made  
20 about a response to an ICG information request and  
21 this is B-8, ICGC 1.2, where FortisBC said:

22 "The materials on the record in this proceeding  
23 are not sufficient to approve rates on a cost of  
24 service basis for 2020."

25 Now, FortisBC would have you believe from the  
26 submissions I've just heard that that's because they

1           have not yet completed the record, and when the record  
2           is complete they then will change their response to  
3           this question, as I understood the submissions, and  
4           there will be sufficient evidence to approve rates on  
5           a cost of service basis for 2020. If that's what was  
6           just said, then that changes the factual circumstances  
7           very significantly. I suspect that I've heard that  
8           incorrectly. That although there is going to be more  
9           evidence to be filed, that in fact Fortis at that  
10          point will say the same thing: There is not  
11          sufficient evidence on the record in this proceeding  
12          to approve rates on a cost of service basis for 2020.

13                 I'm going to go on that assumption, that  
14          that's what I just heard. That in fact, at the end of  
15          this proceeding, after FortisBC complete their  
16          filings, there will still not be sufficient evidence  
17          on the record, or at least their position will be  
18          there will not be sufficient evidence on the record in  
19          this proceeding for you to establish rates on a cost  
20          of service basis for 2020. With that assumption, I  
21          continue with my request for direction to FortisBC  
22          that they file a cost of service application.

23                 Now, Fortis says that that would be  
24          inconsistent with their application. It's  
25          unreasonable for Fortis to say to you that we're not  
26          going to put before you alternatives to MRP when I

1 think the history of this makes it clear that they  
2 ought to have put alternatives before you to their MRP  
3 process. They did not do that, and as I said earlier,  
4 that's tantamount to denying your opportunity to  
5 consider alternatives; i.e. that's tantamount to  
6 denying the cost of service application. Or you  
7 establishing rates for 2020 on cost of service,  
8 evidence, and my submission is, and my request for  
9 seeking a direction in this regard is that in fact the  
10 record be complete so that you can establish rates on  
11 a cost of service basis for 2020.

12 I have said earlier that Fortis could  
13 provide evidence on the record for rates to be  
14 determined on a cost of service basis beyond 2020.  
15 They could select a different test year, they could  
16 have a multi-year test period. That would be  
17 consistent with the direction, and we'll leave them  
18 with some discretion in that regard and I think that  
19 would be appropriate.

20 Let me turn to the jurisdictional issue.  
21 Section 23.1(e). Pardon me, I'll just get to it.  
22 23.1(e) states:

23 "The Commission has general supervision of all  
24 public utilities and may make orders about the  
25 filing of rate schedules."

26 My submission is that's broad enough for you to make

1 the order that I'm requesting. You order FortisBC to  
2 -- or issue a direction to FortisBC to file a cost of  
3 service application at this proceeding.

4 I will not repeat Mr. Weafer's submissions  
5 with respect to 60(1)(a) but I will turn to section  
6 58, and it says,

7 **Proceeding Time 12:27 p.m. T32**

8 "The Commission may, on its own motion,  
9 after hearing determine the just, reasonable  
10 and sufficient rates to be observed and  
11 enforced."

12 Again, it's consistent with a broad,  
13 general supervision of utilities, especially where it  
14 is related to your core mandate. I have not heard  
15 submissions from Fortis challenging the jurisdiction  
16 to do that. Others have, and I think it's noteworthy  
17 that Fortis did not.

18 Fortis has said that there is only two  
19 exceptions in their application to a cost of service  
20 application, and that's the O&M which is based on a  
21 formula and growth capital, which is based on unit  
22 cost base that are derived from actuals. That may be,  
23 but that in fact should make it easy for Fortis to  
24 provide that to you, in the form of an application.

25 What I am seeking is that Fortis provide to  
26 you the evidence that they have said is not on the

1 record, and that's for you to establish rates based on  
2 cost of service for 2020. I'm soon going to hear  
3 Fortis on this, but it needs to be I hope clear on my  
4 part that you can't have both of those things. Fortis  
5 can't be saying that there is not sufficient evidence,  
6 and then say "Well, there is just two exceptions." If  
7 there is just two exceptions to it, do it. But they  
8 refuse to do it. And in the absence of a direction  
9 from you, they are not going to do it. Ergo, I am  
10 seeking the direction.

11 It is also true, as FortisBC suggested,  
12 that you can establish rates based on formulas.  
13 That's not my concern. My concern is that you have  
14 available to you both options, and I'm not challenging  
15 the jurisdiction for you to approve their MRP process.

16 I'm also not making the argument that  
17 Fortis made that I was making a legal argument with  
18 respect to the need for a cost of service application  
19 that has been approved by the Commission that  
20 establishes fair and reasonable rates for the purposes  
21 of determining base. That was not a legal argument.  
22 I was making an argument based on the opinion of their  
23 witness as to what a prudent practice should be. That  
24 is a different argument than the one that was just  
25 framed by Fortis as being a legal argument. I was not  
26 making a legal argument when I was taking you to the

1 opinion of *Black and Veatch*. In my opinion, clearly  
2 states that in these circumstances there ought to be a  
3 cost of service application. That is very different  
4 than what was just framed as my argument.

5 And I will conclude my submissions, Mr.  
6 Chair, unless there are any questions.

7 COMMISSIONER LOCKHART: Mr. Hobbs, thank you very much  
8 for your submissions. Following the completion of the  
9 IR process, as many rounds as we go through, what  
10 evidence will be lacking that prevents you from  
11 assessing cost of service?

12 MR. HOBBS: We have not yet seen the full financial  
13 schedules that come with a cost of service  
14 application. As I say, line-by-line leading to a  
15 total revenue requirement, and then the calculation of  
16 the rate increase based on that.

17 **Proceeding Time 12:31 p.m. T33**

18 COMMISSIONER LOCKHART: And is that because you asked  
19 that question and it wasn't answered completely or has  
20 that question not been asked?

21 MR. HOBBS: I don't know the answer to that question.

22 COMMISSIONER LOCKHART: All right. Thank you.

23 COMMISSIONER FUNG: Mr. Hobbs, I just want to find out  
24 what is the basis for you -- or your statement in your  
25 argument that it's incumbent upon FBC to produce a  
26 cost of service application or whatever you want to

1 call it, as an alternative to its current application?

2 MR. HOBBS: Ah, that's a --

3 COMMISSIONER FUNG: We don't do that for any other  
4 applicant who comes before us with an application and  
5 require them to consider in the course of their  
6 application other alternative methods of rate setting.  
7 So what is the legal basis upon which you're coming to  
8 us and saying, "We want Fortis in this particular  
9 application to consider cost of service"?

10 MR. HOBBS: It's been a very, very long time since  
11 there's been a cost of service application before you  
12 for FortisBC Electric. Given that length of time, you  
13 have, as I've mentioned, under Section 23 broad  
14 general supervision duties, and then under 58 you need  
15 -- you can do it on your own motion, need to determine  
16 that the rates are fair and reasonable. I think for  
17 you to do that it's time for you to look at their  
18 costs, not just in what is derived from the formula,  
19 but look at their costs.

20 And so, it's a two-part answer. You're  
21 correct that often there is not an alternative  
22 available. The utility files an application and an  
23 alternative is not presented. I think in these  
24 circumstances you have the jurisdiction to direct it  
25 and you ought to direct it because it's the  
26 appropriate next step for Fortis, so that we see both.

1           There should be an alternative available here because  
2           of the circumstances of there being too long of a  
3           period, there should be an alternative available to  
4           you because the default should not become PBR or MRP  
5           or whatever you want to call it, formula driven rates.  
6           It's time for you to look at cost of service.

7   COMMISSIONER FUNG:        So if I can push that point just a  
8           little bit, why is it incumbent upon the BCUC as a  
9           regulator to be forcing it? You as an intervener, in  
10          fact everybody else in this room, has the ability to  
11          ask those questions in the course of IRs. Could you  
12          not do that?

13   MR. HOBBS:                This goes back to Commissioner Lockhart's  
14          question, which is a good question. Let me try it  
15          this way.

16                                The financial schedules that accompany a  
17          cost of service application, it's a question of when  
18          you see it, you know it, that it's there. The  
19          financial schedules that accompany a cost of service  
20          application derive the revenue requirement without the  
21          application of any formulas. That's what I think you  
22          need.

23                                And it needs to be on a forward basis, not  
24          in an actual basis. Like Fortis is arguing that,  
25          "Well, we can test the actuals." That's not what's  
26          important here. Testing the actuals, it's only

1 relevant in the circumstances of we want to look at it  
2 on a forward test base period. And that's the way  
3 regulation has been done in B.C., on a forward test  
4 year basis forever and I encourage you to continue to  
5 do that.

6 So it needs to -- not actuals, but 2020  
7 forecast of cost of service that leads to, as I say,  
8 the revenue requirement. I think it's time for you to  
9 have that.

10 COMMISSIONER FUNG: Thank you.

11 MR. HOBBS: And we can't -- you know, I could  
12 -- in the next round of IRs I could simply ask  
13 FortisBC to prepare a cost of service application.  
14 They would not do it. They've said that it's not --  
15 they said that it's not here. I've chased them on  
16 these issues. In the absence of a direction I'm quite  
17 convinced that Fortis won't do it. However, if you  
18 don't give me -- if you don't grant my request for the  
19 direction, I'll try it. But it won't do it. Even  
20 though they say it's easy to do, they won't do it.

21 COMMISSIONER FUNG: Thank you.

22 THE CHAIRPERSON: Just one question so I'm absolutely  
23 clear. This, in your mind, is not all about the info,  
24 the information to support it, it's about actually the  
25 application for a cost of service?

26 **Proceeding Time 12:31 p.m. T34**

1 MR. HOBBS: That's correct. I want you to be in a  
2 position at the end of this proceeding to approve  
3 rates based on cost of service, not on formulas. So  
4 absolutely. However, I also, as I said, there are  
5 two reasons for my request for the direction and one  
6 of them is with respect to rebasing. But those are  
7 two independent reasons, and I want you to grant the  
8 request so that you can approve rates at the end of  
9 this proceeding based on cost of service, and I also  
10 would like for the benefit of their MRP mechanism,  
11 should you not approve rates based on cost of service.

12 THE CHAIRPERSON: Okay, I understand you. Thank you,  
13 Mr. Hobbs.

14 MR. HOBBS: Okay.

15 THE CHAIRPERSON: Mr. Bystrom?

16 **SUR-REPLY BY MR. BYSTROM:**

17 MR. BYSTROM: I would like to make a few comments in  
18 sur-reply. It's not exactly clear in my submission  
19 what Mr. Hobbs is requesting but it appears to me in  
20 substance that he is trying to basically short-circuit  
21 a PBR type application and direct that a cost of  
22 service application be filed, quite apart from like a  
23 forecast for 2020 for instance.

24 And I would just refer you, as a point of  
25 reference, to Exhibit B-7. It's FortisBC's response  
26 to CEC IR 2.1 and in that response we explained why we

1           didn't file a cost of service application prior to the  
2           application, which I think will be helpful for your  
3           reference.

4                       Mr. Hobbs responded to the topic of whether  
5           the record would be complete for a cost of service  
6           application. In my submissions, I explained what the  
7           companies meant when they said that the record didn't  
8           currently have the information for that reference, the  
9           fact that we need to forecast a bunch of elements in  
10          the framework, and also it's a five-year plan. We're  
11          not going to have a five-year cost of service  
12          forecast. So we explained what we meant. Mr. Hobbs  
13          didn't respond to those reasons.

14                      At the end of the day whether the record is  
15          complete, in my submission, the Commission can  
16          determine that in its decision. If ultimately the  
17          Commission determines it wants to go with the cost of  
18          service route, it can analyze the evidence. Do we  
19          have enough evidence to approve the rates on a  
20          permanent basis right now or do we need something  
21          more? And if the Commission determines it needs  
22          something more, it can direct that that be filed at  
23          that time when the decision is made.

24                      What Mr. Hobbs seems to be getting at is he  
25          wants you to make a decision now on the substance of  
26          our application, which, in my submission, shouldn't be

1 done.

2 And Mr. Hobbs makes the deal about we are  
3 refusing to provide the information or refusing to  
4 file the application. As I've explained, I don't see  
5 how we can ask the Commission for two inconsistent  
6 things at the same time. That's the basis on which we  
7 can't do that. I don't think it's reasonable to  
8 expect us to do that.

9 Also it's just not usually the case that  
10 the Commission would have two complete applications  
11 before it. So it would alternatives, Option A or B.  
12 That just is usually not the case. Usually application  
13 is filed, the Commission decides. If it doesn't want  
14 that option it gives direction about what it does  
15 want, and the proceeding -- further applications are  
16 filed until we had the permanent rates.

17 Just a minor point, but for FBC, a cost of  
18 service was last fully determined in 2013 but since  
19 then in the annual review process -- many items are  
20 forecast each year through the annual review process.  
21 There has been a lot of information before the  
22 Commission annually on FBC's costs. Not a forecast,  
23 an actual basis.

24 And in our applications we filed in October  
25 for interim rates, the companies will be filing the  
26 financial schedules, line-by-line basis, to establish

1 -- to back up the interim rate. So the forecasts of  
2 financial schedules will be available to the  
3 Commission at that time.

4 And as we've stated then, as we've  
5 envisioned it, after the Commission's decision in this  
6 proceeding we file an annual review process where  
7 permanent rates can be set, all the forecasts can be  
8 tested, we would comply with any directions coming out  
9 of the Commission's decision, and in my submission  
10 that's a reasonable forecast to envision at this time  
11 -- I mean process to envision at this time, is all  
12 subject to the Commission's ultimately decision in  
13 this proceeding.

14 I don't have any further submissions.

15 **Proceeding Time 12:41 p.m. T35**

16 THE CHAIRPERSON: I believe there is at least one  
17 question. Karen?

18 COMMISSIONER KEILTY: Actually I have two questions. I  
19 just want to clarify that for FBC it is just O&M that  
20 is on an actual adjusted basis?

21 MR. BYSTROM: It is just --

22 COMMISSIONER KEILTY: Or a non-cost of service basis?

23 MR. BYSTROM: Yes, that's just -- yeah, the majority of  
24 O&M is set on this indexed approach.

25 COMMISSIONER KEILTY: And then with respect to there is  
26 not enough information to set permanent rates on a

1 cost of service basis. There will also not be enough  
2 evidence to set rates based on the MRP at the end of  
3 this process until the annual review happens.

4 MR. BYSTROM: Yes, that is correct. That's how --

5 COMMISSIONER KEILTY: So we won't be able to set any  
6 rate on a permanent basis at the conclusion of this  
7 proceeding?

8 MR. BYSTROM: That's correct. That's how -- yes, we've  
9 proposed a framework that would take the place of the  
10 current PBR framework. And then yeah, through the  
11 annual review process, the permanent rates would be  
12 set.

13 COMMISSIONER KEILTY: Thank you.

14 MR. BYSTROM: Thank you.

15 THE CHAIRPERSON: Thank you, Mr. Bystrom.

16 Ms. Khan, is there any other business that  
17 we need to deal with today?

18 MS. KHAN: No further business.

19 THE CHAIRPERSON: Thank you, Ms. Khan. Well thank you  
20 everybody for attending today, it has been an  
21 interesting morning. The panel will take the  
22 information and deliberate on it, and in as timely a  
23 fashion as possible, have a decision, set a  
24 determination with regards to further process. Thank  
25 you again, and we're adjourned for now.

26 (PROCEEDINGS ADJOURNED AT 12:44 P.M.)

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



A.B. Lanigan, Court Reporter

July 9<sup>th</sup>, 2019