

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.
October 31st, 2019

PROCEDURAL CONFERENCE

BEFORE:

D. Cote,	Panel Chair
A. Fung, Q.C.,	Duty Chairperson, Commissioner
K. Keilty,	Commissioner
E.B. Lockhart	Commissioner

VOLUME 3

APPEARANCES

P. MILLER,	Commission Counsel
M. GHIKAS, C. BYSTROM,	FortisBC Energy Inc. and FortisBC Inc. (FEI/FBB)
C. WEAVER, P. WEAVER,	Commercial Energy Consumers Association of B.C.(CEC) and B.C. Municipal Electric Utilities (BCMEU)
W. ANDREWS,	B.C. Sustainable Energy Association (BCSEA)
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)
R. HOBBS,	Industrial Customers Group (ICB)
J. QUAIL,	Movement of United Professionals (MoveUP)

INDEX

PAGE

SUBMISSIONS BY MR. GHIKAS214

SUBMISSIONS BY MR. C. WEAFFER226

SUBMISSIONS BY MR. ANDREWS232

SUBMISSIONS BY MS. WORTH236

SUBMISSIONS BY MR. HOBBS247

SUBMISSIONS BY MR. QUAIL248

SUBMISSIONS BY MR. MILLER249

REPLY BY MS. WORTH251

REPLY BY MR. ANDREWS253

REPLY BY MR. C. WEAFFER255

REPLY BY MR. GHIKAS257, 261, 269

REPLY BY MR. BYSTROM258, 262

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

VANCOUVER, B.C.
October 31st, 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'm the chair for the FortisBC Energy Inc. and FortisBC Inc. 2020 to 2024 multi-rate rate application. Welcome to this morning's proceedings, which will consider the 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. Our Commission lead staff Samir Sharma, who has been joined by Yolanda Domingo, Executive Director and Project Manager for this application. Our hearing officer is Mr. Hal Bemister.

MR. BEMISTER: Keith today.

THE CHAIRPERSON: Oh, I'm sorry, my apologies.

This procedural conference was established by the Commission Order G-241-19. With reference to this by letter of October 24th, 2019, that was exhibit A-11, the parties were requested to address by submission a number of items. They are as follow: Firstly, whether FortisBC intends to file rebuttal

1 evidence, and if so, do the intervenors wish to file
2 information requests on FortisBC's rebuttal evidence
3 if an oral hearing is not held?

4 Second, whether the review of the
5 application should proceed by way of a written or oral
6 public hearing. If an oral public hearing is
7 proposed, parties are asked to identify specific
8 matters that should be addressed through the process,
9 and the rationale for an oral hearing being required.

10 Three, the steps and the timetable
11 associated with the recommended regulatory review
12 process, considering the current placeholder for an
13 oral public hearing to begin the week of December the
14 16th, 2019. Please outline at that time any time
15 periods where you are going to be unavailable and for
16 any other procedural matters that will assist BCUC to
17 efficiently review the application.

18 **Proceeding Time 9:05 a.m. T2**

19 In the letter the parties were invited to
20 provide these submissions in writing by 10:00 a.m., if
21 they had any, if they thought this was more efficient,
22 by Tuesday October the 29th, 2019. I believe FortisBC
23 was the only one who provided submissions to give us
24 -- and we've had some time to perhaps review them and
25 think about it. That was Exhibit B-20.

26 In addition, interveners who wish to

1 participate by phone were requested to notify Mr.
2 Bemister. Before Mr. Miller takes over -- oh, I
3 believe we have one individual, Mr. Hobbs, from ICG
4 that is joining us from telephone.

5 Before Mr. Miller takes over I'd ask you to
6 place make sure your submissions are directed to the
7 items I've just outlined, together with any other
8 procedural matters you or any of the other
9 participants have identified. Please bear in mind
10 that the purpose of this conference is not to discuss
11 the merits of the application, but to address the
12 items I've just outlined.

13 After appearances, the order of submissions
14 will begin with FortisBC first, and then follow the
15 order of appearances. Once we reach the end of the
16 interveners, we'll begin with the last intervener to
17 speak and everyone will have the right of reply to
18 other interveners' submissions in reverse order.
19 FortisBC will then have the final right of reply.

20 That said, I'll ask Mr. Miller to call for
21 appearances. When you enter your appearance, please
22 state your name for the record, spelling it, the party
23 you represent and identify any additional issues that
24 you may have at that time.

25 Mr. Miller, please proceed with
26 appearances.

1 MR. MILLER: Thank you, Commissioner Cote. The first
2 in the order of appearances are the applicants,
3 FortisBC Energy Inc. and FortisBC Inc.

4 MR. GHIKAS: Good morning, Mr. Chairman, Commissioners.
5 Matthew Ghikas, G-H-I-K-A-S, appearing on behalf of
6 FortisBC Energy Inc. and FortisBC Inc., which I will
7 refer to as FortisBC. And with me today as counsel is
8 Chris Bystrom, B-Y-S-T-R-O-M, and also in attendance
9 today is Diane Roy, the vice president of regulatory
10 affairs and Doug Slater, who is the director of
11 regulatory affairs.

12 I have no issues to add to the list and I
13 will speak to the issues all at once.

14 THE CHAIRPERSON: Thank you, Mr. Ghikas.

15 MR. MILLER: Commercial Energy Consumers Association of
16 B.C. and B.C. Municipal Electric Utilities.

17 MR. C. WEAFFER: Good morning, Mr. Chairman, members of
18 the panel. It's Chris Weafer, spelled W-E-A-F-E-R,
19 appearing for the Commercial Energy Consumers
20 Association of British Columbia and the British
21 Columbia Municipal Electric Utilities, and the BCMEU
22 are the four municipal utility service wholesale
23 customers by FortisBC. With me at the counsel table
24 is Patrick Weafer as co-counsel, last name spelled W-
25 E-A-F-E-R. And Janet Rhodes, who is consulting for
26 the Commercial Energy Consumers.

1 I'll deal with the matters in the order set
2 out in the Commission's letter. And I will have
3 comments on evidentiary basis related to what is in
4 play in terms of the proceeding, then I'll make those
5 comments when I come back to the mic. Otherwise, no
6 issues to add to the agenda.

7 THE CHAIRPERSON: Thank you, Mr. Weafer.

8 MR. MILLER: BC Sustainable Energy Association.

9 MR. ANDREWS: Good morning, members of the panel.

10 William Andrews, A-N-D-R-E-W-S, appearing for the BC
11 Sustainable Energy Association. I have no issues to
12 add to the agenda. Mr. Hackney is following this
13 proceeding on-line.

14 THE CHAIRPERSON: Thank you, Mr. Andrews.

15 MR. MILLER: B.C. Old Age Pensioners' Organization, et
16 al.

17 MS. WORTH: Good morning, Mr. Chair and members of the
18 panel. My name is Leigha Worth, W-O-R-T-H, and I'm
19 accompanied by co-counsel Irina Mis, M-I-S, here
20 representing the groups known collectively as BCOAPO
21 et al. We have nothing to add to the agenda and we'll
22 address everything in the order that you've set out in
23 your letter. Thank you.

24 THE CHAIRPERSON: Thank you, Ms. Worth.

25 MR. MILLER: Our next appearance is appearing by phone,
26 the Industrial Customers Group.

1 MR. HOBBS: Yes. This is Robert Hobbs, H-O-B-B-S, and
2 I appear on behalf of the Industrial Customers Group
3 of FortisBC Electric. I have no procedural matters to
4 add to the agenda.

5 THE CHAIRPERSON: Thank you, Mr. Hobbs.

6 MR. MILLER: And our last appearance, Mr. Chair, is
7 MoveUP.

8 MR. QUAIL: God morning. Jim Quail, Q-U-A-I-L,
9 appearing. I have nothing to add to the agenda.

10 THE CHAIRPERSON: Thank you, Mr. Quail.

11 MR. MILLER: That concludes the order of appearances,
12 Mr. Chair.

13 THE CHAIRPERSON: Thank you. Mr. Ghikas?

14 **SUBMISSIONS BY MR. GHIKAS:**

15 MR. GHIKAS: Thank you, Mr. Chairman. Speaking first
16 to matter number one about the rebuttal evidence,
17 FortisBC does intend to file rebuttal evidence
18 obviously in response to the evidence of Mr. Bell. It
19 will be limited to the issues that he had raised.

20 **Proceeding Time 9:10 a.m. T3**

21 Those issues we expect are relatively narrow, given
22 the scope of Mr. Bell's evidence, although we do note
23 that there have been a few IRs that extend beyond the
24 precise scope of his evidence asking about other
25 issues. While we expect that there may be some need
26 to respond to those, we also expect that given the

1 state of the record so far there will be very limited
2 need to say a lot on those issues. So, in sum, we
3 expect it to be relatively narrow and concise.

4 The second issue is with respect to the
5 type of process. I'll spend a little bit more time on
6 this, the majority of my time on this issue. What
7 Fortis' position is on this is that the proceeding can
8 be fairly and efficiently determined based on the
9 written record, and that an oral hearing, given the
10 way the evidentiary record has developed, would be an
11 exercise in diminishing returns.

12 Before dealing with the specifics, I wanted
13 to start off by framing my submission with reference
14 to policy. And the touchstone that I wanted to use on
15 this is Rule 2 of the BCUC's guidelines. And it talks
16 about how the Commission approaches its interpretation
17 of the rules and how it handles its processes. And it
18 says that the

19 "...rules must be liberally construed in the
20 public interest to ensure the fairest, most
21 expeditious and efficient determination of every
22 matter before the BCUC consistent in all cases
23 with the requirements or procedural fairness."

24 So that has three interrelated elements,
25 fairness, expediency, and efficiency. And of course
26 when a Commission is talking about fairness, it's

1 fairness to both the utility applicant and customers.
2 And expeditious and efficient proceeding benefits the
3 utility and customers as well. And in my submission,
4 what flows from that principle is that recognition
5 that a written process is an equally legitimate way to
6 an oral process for resolving regulatory applications.

7 Now, obviously the vast majority of the
8 applications that are before the Commission are
9 addressed in writing. And so when it comes down to
10 considering whether or not an oral component is
11 necessary, it's obviously important for the Commission
12 to make sure that it has sufficient information before
13 it, not just to meet its minimum requirements of
14 procedural fairness in the legal sense, but also to be
15 able to make an informed and reasoned decision on the
16 issues that are before it.

17 However, and this is the key point, that it
18 would be a mistake, in my submission, to equate more
19 process and more information with a fairer outcome and
20 more considered and informed decisions.

21 In terms of efficiency, it is stating the
22 obvious, in my submission, that an oral hearing
23 involves considerable investment by utilities and
24 utility customers, in terms of time and dollars. Even
25 a relatively short oral hearing can cost customers
26 hundreds of thousands of dollars. And of course the

1 additional institutional capacity diverted by the
2 utility to the regulatory process.

3 So the upshot is this: when we consider
4 the policy, the pertinent question for the Commission
5 is whether adding an oral hearing component to a well
6 developed written record will add real value, not
7 simply whether the hearing would produce additional
8 information. And Fortis' submission is that the value
9 in this case would not be there.

10 And now for the specifics. There are
11 several reasons why I say that is the case. The first
12 is that we, as a group, are building off a significant
13 base of knowledge and history with respect to
14 performance-based, or incentive-based plans. The
15 current PBR plan was approved after an intensive oral
16 hearing, and it covered all of the elements of the PBR
17 plan and PBR theory. And under the current PBR plans,
18 there has been extensive annual review processes, the
19 materials are quite substantial, and there has been an
20 oral workshop process associated with each one.

21 **Proceeding Time 9:15 a.m. T4**

22 So, as we have moved along through this
23 process the understanding and base level of knowledge
24 about PBR has improved substantially.

25 The second point relates to the evidentiary
26 record in the current proceeding. The application was

1 comprehensive. There have been approximately 2700 IRs
2 and there will be written intervenor evidence from
3 BCOAPO, Mr. Bell, that we have. And obviously there
4 is the potential for IRs and rebuttal evidence. IRs
5 on Mr. Bell's evidence and the potential for rebuttal
6 evidence and potentially, as to be determined today,
7 whether IRs are to follow on that rebuttal evidence.

8 The third point is that there has been a
9 marked decline in the number of intervenor IRs between
10 the first and the second rounds. And so when it comes
11 to the intervenor IRs in particular, there were 740 in
12 the first round and 280 in the second round. And so
13 in other words the volume dropped by two-thirds. Now,
14 I'm not saying that because it's determinative in any
15 way. And it certainly would be accurate to suggest
16 that intervenors are accepting all of the positions
17 put forward by the utility in the application or in
18 the first round.

19 The reason why I am saying that is because
20 it tends to suggest that many issues have, at a
21 minimum, been crystalized for the purpose of
22 addressing them in final argument. So I expect that
23 intervenors will obviously be pushing their positions
24 forward in final argument rigorously on a lot of these
25 issues. But in my submission, we are at a point where
26 the issues are crystalized and best addressed in

1 written submissions.

2 The next component, the next point, and I
3 think this is important, is that this proceeding
4 hasn't been dominated by dueling experts the way the
5 previous PBR proceeding was. There is, of course,
6 evidence from Mr. Bell, which is narrow in scope. And
7 by in large, however, the vast majority of the
8 application and the issues arising are being put
9 forward by the utility and questioned through the IR
10 process.

11 The next point is that some intervenors
12 are, obviously as the Commission has heard, opposed to
13 PBR more or less on principal. And there really
14 hasn't been the level of engagement in terms of the
15 details of the plan through the IR process. And that,
16 in my submission, would stand to reason a lot of these
17 issues do lend themselves to argument rather than
18 exploration through extensive information requests.

19 So I will turn -- oh, I'm sorry. And the
20 final point was that, you know, a number of the topics
21 involved are quite theoretical in nature. And now
22 that the issues are crystalized they do tend to lend
23 themselves to argument, things like X-factor design
24 and the like.

25 So, that concludes my submissions on
26 whether it should be written or oral. The next aspect

1 of this, of course, is if there is an oral hearing
2 what should it look like? And similar considerations,
3 in my submission, should form the basis for the
4 Commission's determination of what the scope of any
5 oral hearing would look like. And in my submission,
6 that if some oral hearing is appropriate it should be
7 targeted on the areas where there would be the most
8 value.

9 Now, the value of scoping, just in the
10 broadest sense, the value of scoping a decision is not
11 just in the form of the cost savings and freeing up
12 capacity that we usually think about. What it
13 actually does is, in my submission, it improves the
14 nature of the evidence that the Commission gets. And
15 the reason for that is that witnesses, knowing what
16 they're going to be speaking to, are able to prepare
17 themselves to provide the best information to the
18 Commission as possible. That, in my submission, is
19 often under looked, but it is a considerable value.
20 When you have no scoping on it, it is harder to ensure
21 that the right people are there and that the issues
22 have all been reviewed and advanced.

23 So, Fortis has identified that if there is
24 an oral hearing that the areas that would be most
25 likely to be candidates would be the innovation fund
26 and the targeted incentives.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Proceeding Time 9:20 a.m. T5

And the reason for that, of course, is that there are new areas, rather than being variations on a theme that we've seen over the past years through the prior PBR plan. So there would be discussion on why, for example, Fortis has made the proposals, and how do the proposals meet the objectives that have been set out.

There have been a lot of IRs on this topic however -- on these topics, however. And what I would say is that Fortis submits that there is a well-established evidentiary record already on these points. But if the question is whether or not they are new in areas of interest, if that is the test, these would be the areas that fit.

The other topics in the proceeding fall generally into two buckets, if I can put it this way. And the first bucket would be the variations on a theme from the current PBR, and these are the adjustments to the O&M formula, for example. On these matters, we are working from the solid foundation that I referred to previously.

The second bucket would be traditional, or technical issues, where there is issues like determining the O&M base, the capital forecast depreciation rates, all of which are things that we've seen many times over, and that can be addressed, and

1 have proven to have been addressed through other
2 proceedings, effectively addressed in a written
3 process.

4 The other added benefit to scoping, and I
5 think it's a legitimate consideration, is that
6 carefully focusing the scope will allow the proceeding
7 to -- any oral proceeding to take place in a time set
8 aside in December for it. And that is important
9 simply for the practicality that as soon as we push
10 beyond that, we are into both the holiday period and
11 BC Hydro's revenue requirements proceeding, and many
12 of the people in this room are involved in, and Fortis
13 recognizes that.

14 And I will come to this a little bit later,
15 but it is important to also consider the fact that
16 Fortis is entitled to have its application,
17 irrespective of those factors, determined in a
18 reasonable period of time, which is how we arrived at
19 the timelines that we've proposed in the written
20 submission.

21 So, in short, I would submit that we are at
22 the point of diminishing returns for the Commission,
23 customers, and the utility, and that a written
24 proceeding is the best way to achieve the objectives
25 that the Commission has set for itself of a fair,
26 efficient and timely resolution of the application.

1 So I was going to turn to the timetable
2 now, unless there are any questions on the last topic?
3 Okay. So the timetable, I will only speak briefly to.
4 Fortis has included three proposed timetables in the
5 letter filed on Tuesday, Exhibit B-20. One for a
6 fully written process without IRs on rebuttal; one for
7 a fully written process with IRs on rebuttal; and one
8 contemplating an oral hearing component. And I just
9 wanted to draw your attention to two points about
10 these timetables.

11 The first point is that Fortis has
12 endeavored to accommodate intervenors by providing
13 additional time for final argument, where those
14 timelines would coincide with either the holiday
15 season or BC Hydro's upcoming oral hearing.

16 The intervenor -- the timetable without IRs
17 on the rebuttal provides a month for intervenor reply
18 submissions, recognizing the holiday season. The
19 timetable two, they're with written process with IRs
20 on rebuttal, that envisions a relatively quick
21 turnaround of IRs on rebuttal evidence so that they
22 can be complete before the holiday season. And then
23 it contemplates providing a four-week period for
24 intervenor submissions given the scheduling of the BC
25 Hydro oral proceeding.

26 And the third table with respect to an oral

1 component, the oral component would be in the week of
2 December 16th as scheduled. Again the timeline
3 accommodates a full four weeks for intervenor
4 submissions and it extends out into March.

5 **Proceeding Time 9:25 a.m. T6**

6 But FortisBC reply submission would be due just before
7 the start of spring break, essentially the last day
8 before the start of the district spring break
9 schedule, March 12th I believe.

10 So, the second point is that even with
11 these timetables the 2020 year, rate year, will be
12 well under way before an annual review can be held and
13 permanent rates put into effect. When reply
14 submissions are in on the oral process, we're looking
15 at being a third of the way through the first year of
16 the MRP period already. And so in Fortis' submission
17 the proposed timetables balance those objectives in a
18 reasonable manner. And I'll deal with any specific
19 comments in reply.

20 In terms of availability, leaving aside the
21 obvious one for the BC Hydro oral hearing where I
22 expect the Commission wouldn't schedule a hearing on
23 this in any event, Fortis is not available on the 23rd
24 and 24th of December. And Fortis' counsel is not
25 available in the week of December 30th. Spring break
26 obviously becomes an issue as well, which is why we've

1 scheduled things the way we have.

2 So, unless there are any specific questions
3 from the panel at this point, that would conclude my
4 primary submissions and I can sit down.

5 THE CHAIRPERSON: I have a couple, sorry.

6 MR. GHIKAS: Sure.

7 THE CHAIRPERSON: First of all, on your second schedule
8 that you gave to us?

9 MR. GHIKAS: Yes.

10 THE CHAIRPERSON: I might have misheard you, but I
11 think you were talking about the split from the return
12 on answers to IRs on rebuttal evidence and the time
13 into the final submission being four weeks. It's
14 actually three, but do you feel -- are you satisfied
15 there's enough time to do an adequate job on your
16 final submissions that you left yourself here?

17 MR. GHIKAS: Well, it is going to be a challenge and it
18 was recognized. The difficulty, of course, is that we
19 do butt up against a BC Hydro revenue requirements
20 proceeding. There is a difference in the timing of
21 the submissions when it comes to -- the short answer
22 is yes, we believe it is. It won't be pretty from our
23 perspective, but yes.

24 THE CHAIRPERSON: Okay. One more question. On the
25 third table where it contemplates an oral component,
26 I'm assuming that the IRs and rebuttal evidence you

1 contemplate them being part of the oral hearing. Is
2 that correct?

3 MR. GHIKAS: Yes.

4 THE CHAIRPERSON: Okay, good. I have no more
5 questions. Thank you, Mr. Ghikas.

6 Mr. Weafer? Oops, sorry.

7 MR. GHIKAS: Yes, I should -- Mr. Bystrom just pointed
8 out, if there is an oral hearing our submission would
9 be that you wouldn't need IRs on the rebuttal, that
10 that would be addressed at the oral hearing itself.

11 THE CHAIRPERSON: Yes, that's what I'm saying. Yeah,
12 okay.

13 MR. GHIKAS: Thank you.

14 **SUBMISSIONS BY MR. C. WEAFER:**

15 MR. C. WEAFER: Dealing with the issues set out in
16 Exhibit A-11 on item one, if there is no oral public
17 hearing the CEC and BCMEU would likely have written
18 questions on the rebuttal evidence if filed.

19 THE CHAIRPERSON: Okay.

20 MR. C. WEAFER: Item two, neither the CEC or BCMEU are
21 requesting an oral hearing. We are -- with a couple
22 of comments on evidence which I'll add, we're
23 reasonably satisfied that with respect to the
24 positions we will be taking that there's a good
25 evidentiary record. The deficiency, or potential
26 deficiency of the evidentiary record is in two areas.

1 We'd like the Commission to be broad in its acceptance
2 of written submissions which may refer to annual
3 review materials.

4 **Proceeding Time 9:30 a.m. T7**

5 It's not entirely clear to us whether all
6 of the annual review materials that have been dealt
7 with over the course of the prior PBR are technically
8 on the record in the proceeding and we expect to be
9 referring to those. If we had an oral hearing we'd be
10 putting those to the witness, we'd have that
11 opportunity. Here we may just be referring to them in
12 our written arguments and I just want to ensure that
13 that's within scope.

14 And we think that that -- to the extent it
15 is a concession, and I don't really think it is,
16 that's fair in the sense of balancing the costs and
17 resources of having an oral hearing where we would
18 have access to that material and a written hearing
19 where we may get arguments around, "Well, that's not
20 on the evidentiary record at this point in time." So
21 if the Commission would consider that. I think most
22 of it is on the record, but we haven't written our
23 argument yet, so I don't know exactly what we'll be
24 referring to specific from the annual reviews. But
25 certainly there is material in the annual reviews that
26 will be relevant to some of the submissions we'll make

1 in our final argument.

2 COMMISSIONER FUNG: Okay. I think we may need
3 submissions from Fortis on that before we make any
4 decision.

5 MR. C. WEAFFER: Fair enough.

6 COMMISSIONER FUNG: So just to be clear.

7 MR. C. WEAFFER: Yeah, I think they've certainly in
8 their opening comments talked about the robust history
9 and background too. You know, that's part of why we
10 don't need the oral hearing. So what I'm saying is,
11 fine, we have that material. There's certainly no
12 prejudice to Fortis. They've dealt with those
13 questions in the annual review processes. There's no
14 surprises, there's no evidence that will be coming in

15 And to be frank, we haven't written our
16 argument yet, so I'm just sort of putting a warning
17 sign out there and we can deal with it if it arises as
18 part of the written submissions, if there's any
19 objections to anything we say. So, again, just trying
20 to find that compromise between oral hearing and
21 written hearing, and not be prejudiced to not be able
22 to consider issues that would support our written
23 arguments.

24 THE CHAIRPERSON: I think I understand your request.

25 MR. C. WEAFFER: Thank you. The second evidentiary
26 issue is yesterday Fortis filed their interim rate

1 application. And in that interim rate application
2 there is material which is relevant to the last year
3 of the PBR term. I don't think there could be more
4 relevant evidence on the prior PBR term than evidence
5 from the last year of the term.

6 So we would submit that there needs to be
7 the information requests on that filing and it should
8 be part of the record in this proceeding. Not with
9 respect to the interim rate application, but with
10 respect to the materials that are speaking to SQIs or
11 earning sharing, or other topics that we would
12 typically have dealt with in an annual review in the
13 last year of the term.

14 THE CHAIRPERSON: Are you suggesting another round of
15 IRs?

16 MR. C. WEAFFER: I'm suggesting that as part of the IRs
17 on the rebuttal evidence, we also be entitled to ask
18 IRs on the interim rate application materials as they
19 relate to the PBR application, not to the interim rate
20 application. That may or may not be dealt with by
21 this panel, I don't know. But certainly that's
22 materials on the public record relevant to -- directly
23 relevant and timely to the review of the prior PBR and
24 that changes that are being proposed. So I -- well,
25 I'll leave it at that.

26 COMMISSIONER FUNG: Just so I understand, Mr. Weafer,

1 is this something that could be incorporated within
2 the oral hearing if one was ordered? Or not?

3 MR. C. WEAFFER: Certainly. We don't think that's
4 necessary, but we're not -- we think it being dealt
5 with in the written hearing -- in fact, we're
6 completely comfortable dealing with it in the written
7 hearing in terms of the evidence that's filed, even
8 without IRs. We just want to be able to refer to that
9 material, but preferably also the benefit of
10 information requests on that material.

11 THE CHAIRPERSON: Does the basis of your concern have
12 to with the fact that the data is available for the
13 most recent year, which you didn't have available, was
14 it forecasted by that?

15 **Proceeding Time 9:35 a.m. T8**

16 MR. C. WEAFFER: Absolutely. Yeah, absolutely. And
17 there's some pretty key results from that year that
18 will be relevant to our submissions, so being able to
19 flesh that out through a round of IRs will be quite
20 helpful, we suspect. And helpful to the panel.

21 THE CHAIRPERSON: Yeah.

22 COMMISSIONER LOCKHART: So at a minimum then, you want
23 that application added to the record?

24 MR. C. WEAFFER: Yes, added to the record so we can
25 refer -- we could likely refer to it anyway in
26 argument, but I think it's helpful, because it is

1 pertinent, relevant, timely, and we think weighty. It
2 should be part of this proceeding. It is the last
3 year of the prior term of PBR.

4 Oh, was the interim rate application filed
5 yesterday? Oh, I didn't see that on the schedule,
6 that must have just got posted. So if it is on the
7 record, then the issue is really about information
8 requests, I apologize. It just came in yesterday, I
9 didn't see it filed. I had understood it may be part
10 of a separate process, so my misunderstanding, but
11 certainly with respect to it being there, now an
12 opportunity to ask questions as it is on the record in
13 the proceeding. Thank you for helping clear that up.

14 In terms of steps and timetables, we are
15 largely in agreement with the Fortis submissions,
16 their proposed table 2 with respect to there being a
17 written process recognizing that the IRs on the
18 interim rate application materials could align with
19 the rebuttal, evidence IRs, or alternatively we are
20 happy to do those sooner if that's a benefit to
21 Fortis, and/or the panel, we can advance those. But
22 it seems timely to have a set of IRs consistent with
23 the rebuttal evidence IRs. But we are fine with the
24 dates proposed in table 2.

25 So moving on to availability and timing for
26 the event that the Commission determines that there is

1 an oral hearing. Certainly I submit the BCMEU and the
2 CEC will participate in any proceeding the panel deems
3 appropriate. We are fine with a written argument, but
4 if an oral hearing is deemed to be appropriate we will
5 certainly be there. And in terms of timing, our
6 challenges are similar to Fortis' counsel with respect
7 to the BC Hydro processes, so we can work with the
8 timing that Fortis has proposed on the written
9 process, and if there is to be an oral process, we
10 would make ourselves available.

11 Those are my submissions subject to any
12 questions from the panel.

13 THE CHAIRPERSON: Thank you, no questions.

14 MR. C. WEAVER: Thank you.

15 THE CHAIRPERSON: Mr. Andrews?

16 **SUBMISSIONS BY MR. ANDREWS:**

17 MR. ANDREWS: For the B.C. Sustainable Energy
18 Association, on the first question the answer is yes,
19 BCSEA would want to have an opportunity to file
20 information requests on Fortis' anticipated rebuttal
21 evidence in relation to the OAPO evidence if there was
22 no oral hearing.

23 On the second question, BCSEA is not
24 calling for an oral hearing. We would be quite
25 content, I think the Commission would be well served
26 with a written argument phase. That said, BCSEA is

1 not opposed to an oral hearing.

2 If there was to be an oral hearing, BCSEA
3 supports the concept of identifying topics for that
4 oral hearing, but if I could put it this way, topics
5 with soft boundaries. That is I wouldn't favour
6 trying to define the boundaries around the topics with
7 such precision that it ends up being a huge argument
8 in itself how the scope of the hearing should be
9 defined. I think it would be better to identify
10 topics, and then as things move forward for the panel
11 to be flexible. But I do come back with my emphasis
12 is that I do think that if there is going to be an
13 oral hearing the topics should be identified in
14 advance and that helps all the parties and the
15 Commission.

16 I have a couple of comments, first on just
17 following up from what Mr. Ghikas was saying about the
18 second round of information requests from intervenors,
19 having considerably fewer IRs than on the first round.
20 And I just want to emphasize agreement and an
21 acknowledgement of what Mr. Ghikas said, is that that
22 does not indicate that intervenors accepted the
23 company's position on particular points.

24 **Proceeding Time 9:40 a.m. T9**

25 I think what it ideally represents is a
26 recognition by intervenors where there is sufficient

1 evidence and where a matter can move to argument and a
2 resistance to the temptation to quarrel with the
3 utility by way of IRs and to move straight to either
4 an oral hearing or to argument.

5 A second point to do with information
6 quests and the oral hearing. It's traditional that,
7 of course if there's rebuttal evidence, then other
8 parties need an opportunity to question that evidence,
9 whether that's by way of IRs or by way of cross-
10 examination in an oral hearing. And I also hear Mr.
11 Weafer asking for an opportunity to question, either
12 in IRs or in an oral hearing, the evidence that Fortis
13 provided in support of its interim rate applications.
14 The point that I want to make is that some thought
15 needs to be put to whether the scope of the oral
16 hearing would include the same -- would overlap with
17 the same topics that Fortis' rebuttal evidence would
18 be on and on the evidence that Fortis provided in
19 support of its interim rate applications.

20 That is, if there are topics within, for
21 example, the support for the interim rate
22 applications, and these are not topics that are
23 otherwise going to be dealt with in the oral hearing,
24 it may be that it's desirable to have IRs, written IRs
25 on those topics rather than having to convene an
26 entire panel in an oral hearing to deal with points

1 that arise out of the material that came from the
2 interim rate applications.

3 THE CHAIRPERSON: Can I repeat that back? Just so I --
4 I think I understand what you're saying. Are you
5 saying that in the event that we do have an oral
6 hearing you feel that issues related to the interim
7 rate application are not made part of that hearing,
8 that they're done as a separate round of IRs, is that
9 what you're saying?

10 MR. ANDREWS: I'm saying that that could be a
11 possibility that should be entertained. And I have
12 not had an opportunity to get beyond the first couple
13 of pages of the interim rate application, so I'm not
14 saying that we will even have IRs on it, let alone
15 want an opportunity to cross-examine.

16 So, those were my submissions on the first
17 and second points. In terms of the third point, if
18 the hearing proceeds in writing BCSEA has no
19 constraints that can't be worked around. And in
20 particular, BCSEA would be fine with Fortis' table 2
21 dates on the assumption that there would be an
22 opportunity for IRs on rebuttal evidence. If there is
23 an oral hearing, BCSEA certainly favours the December
24 16 week that is a placeholder now on the schedule.
25 And BCSEA would agree with Fortis' table 3 in that
26 contingency.

1 If the oral hearing was to extend beyond
2 the week of December 16th, then BCSEA would certainly
3 prefer that any continuation occur in early January
4 because BCSEA is involved in the BC Hydro revenue
5 requirement application that has an oral hearing
6 scheduled for January 20th. And in what I hope is the
7 increasing less likely scenario, if the oral hearing
8 dates did somehow get pushed into February, that would
9 cause difficult that BCSEA would have to contend with.
10 It would be undesirable from our point of view. But
11 saying that, there's no other matters that I have to
12 raise. Those are my submissions.

13 THE CHAIRPERSON: Thank you, Mr. Andrews.

14 Ms. Worth?

15 **SUBMISSIONS BY MS. WORTH:**

16 MS. WORTH: Mr. Chair, members of the panel. In
17 regards to the first question, which is regarding the
18 desire to file IRs on Fortis' intended rebuttal
19 evidence if an oral public hearing is not held, We
20 have had a chance to review, obviously, the applicant
21 utility's submissions in which they did confirm that
22 they're going to be proceeding with that rebuttal
23 evidence. And it is crucial, in our view, to actually
24 have the opportunity to, in the case of an oral
25 hearing, allow for the filing of IRs on that evidence
26 to test it.

Proceeding Time 9:46 a.m. T10

1
2 In an oral hearing the presumption is -- and
3 Commissioner Cote actually sought and received that
4 clarification that we would have the opportunity to
5 cross-examine on that rebuttal evidence, for very good
6 reason. In my submission, the prejudicial effect of
7 allowing such evidence to stand on the record untested
8 for the truth of its contents far outweighs the
9 potential probative value of that evidence. And it
10 would call into question the fairness of this process,
11 as well as the potential -- it would potentially call
12 into question the validity and legality of the panel's
13 decision.

14 The best that could be said of such
15 evidence would be that it would be on the record for --
16 as a record of the utilities' intended rebuttal
17 evidence, but it could not be relied upon for the
18 truth of its contents without that testing.

19 Now, we cannot say for certain, without
20 knowing what they are going to be filing, whether we
21 will be filing IRs or to what extent we will be
22 delving into their evidence, but it's fair to say that
23 we, like the others here, see a need to have that in
24 the schedule and to have that opportunity,
25 particularly in our case because it's being filed in
26 response to our expert's evidence.

1 Now, FortisBC's submissions indicate that
2 the utilities think this that application can be
3 fairly and efficiently decided based solely on the
4 written record. Their table 1 and table 2 contemplate
5 only a written process. Now, for the reasons I've
6 just outlined, we very strongly disagree with table 1,
7 the iteration, without the opportunity to test the
8 rebuttal evidence. But should this panel disagree
9 with our submission that an oral hearing is delving in
10 to certain subject matters proceed, then a written one
11 with IRs is in our opinion necessary.

12 Our primary objection to table 1 is one of
13 fairness in law, but our second is actually purely
14 practical. If you look at table 1, they have the
15 interveners' final submission due on January 17th, just
16 two clear days before the BC Hydro revenue requirement
17 hearing is scheduled to begin. Realistically,
18 interveners like BCOAPO – we're a small not-for-profit
19 law office – could not reasonably be expected to
20 muster the resources necessary to both fully respond
21 to the utilities application in a manner that would be
22 helpful to the Commission, while also preparing for an
23 oral hearing into an application that is similarly as
24 important as BC Hydro's revenue requirement.

25 So in regards to question two, whether it
26 should proceed by way of written or oral hearing,

1 we're taking the position that an oral hearing in this
2 case is necessary, but not on all issues. I would be
3 actually shocked if anybody came into this room,
4 particularly given the players here, that somebody
5 came in advocating for an unscoped hearing. We all
6 know that to leave a process unscoped is to invite
7 disaster, that way be dragons.

8 We don't ask this lightly. We take this
9 position knowing full well the costs of the added
10 process are going to trickle down to our clients,
11 those who we note are actually the least able to
12 absorb any incremental costs. However, in our
13 submission, the benefit to FEI and FBC's residential
14 ratepayers, an oral hearing into certain issues
15 outweighs the additional costs as spread out over
16 their respective residential ratepayer basis.

17 And in response to Mr. Ghikas's admission
18 that we not equate more process with a fair result, I
19 can advise that that is not the basis upon we are
20 making this request. And I would remind everyone here
21 again that the parties here are seasoned practitioners
22 well aware of this fact, who have participated in
23 actually very -- a number of very productive written
24 processes. So we don't take this position based on a
25 naive assumption that more process equals a better
26 result or a fairer result for our clients.

1 fund and targeted incentives only. We respectfully
2 disagree with this position. The focus of an oral
3 hearing should be on the proposed multi-year plan, and
4 those areas in particular that are identified as being
5 in scope. In our view, this means the new elements.
6 For example, the fact that there is no growth
7 adjustment carryover, no productivity factor, no true
8 for actual regular capital during the term, as well as
9 the innovation fund and incentive proposals.

10 Another example of a subject matter that
11 would benefit from an oral hearing is FBC's base O&M.
12 And more specifically -- or sorry, the four utilities
13 base O&M, and more specifically the adjustments that
14 they've proposed in the 2018 actual base O&M, in order
15 to establish their 2019 base O&M. Despite the
16 numerous IRs on the record, our experts remain
17 concerned enough about the specific subject matters
18 that they've expressed the desire to have us cross-
19 examine on these issues.

20 Now, for the steps and timetables
21 associated with it, I'm a parent, so I'm sure it comes
22 as no surprise that I'm not exactly excited about the
23 prospect of having a hearing during the week of the
24 16th, but that's up to a time of year where we have
25 difficulties with child care and various other things.
26 And my concern is especially if the hearing is not

1 truncated as the utilities seem to prefer. Mr.
2 Andrews actually addressed the issue where it may
3 actually bleed over into a second week, and there are
4 parties within the hearing already who have said they
5 are not available, including the applicants, during
6 the next week. I have a problem with the suggestion
7 that it resume in early January. I'm afraid I don't
8 have access to my experts. Particularly Mr. Bell, who
9 has indicated that he is not available until after the
10 13th of January. And again, we have a situation where
11 if it begins in mid-January, we are butting up against
12 the BC Hydro revenue requirement.

13 So, if the Commission grants my application
14 for a more broadly scoped hearing, I would ask, and
15 again, this is done with careful consideration, that
16 the Commission consider moving the oral hearing to
17 February. I would have asked for a mid-January date,
18 but as I've said, it is a situation where a number of
19 us in the room I know are going to be involved in the
20 BC Hydro revenue requirement, including Commission
21 staff. And that is a commitment that is going to
22 collectively consume a great deal of time and
23 resources.

24 I am aware, of course, that Mr. Andrews has
25 indicated that that is difficult, so perhaps he could
26 address any questions on that, just to clarify what

1 the difficulties might be. So this is a situation
2 where unfortunately it seems like everybody has got
3 some sort of restrictions that are competing.

4 **Proceeding Time 9:54 a.m. T12**

5 In my submission, the applicant utilities
6 would not be prejudiced by this minor delay. And the
7 process itself would benefit from participants who are
8 not straining to find the time to accommodate the
9 demands of an oral hearing during a time of year when
10 work and personal commitments are commonly much
11 higher. As well as being able to access my expert if
12 it does go into a second week.

13 THE CHAIRPERSON: Could I just stop you, just for one
14 moment?

15 MS. WORTH: Certainly.

16 THE CHAIRPERSON: I've been puzzling over the areas you
17 feel that should be included in an oral hearing. Can
18 you maybe go into a little bit more depth of what
19 knowledge you feel that you're lacking. And maybe
20 explain to me, because areas that you spoke to
21 typically are handled through written processes
22 anyway, through IRs, why a third round of IRs would
23 not be able to satisfy BCOAPO and your experts?

24 MS. WORTH: It wasn't my understanding that a third
25 round of IRs was actually an option on the evidence
26 that we have before us.

1 THE CHAIRPERSON: Okay, let me rephrase then. If there
2 was a third round of IRs, would that satisfy your
3 needs?

4 MS. WORTH: It could potentially. It would depend, of
5 course, on how responsive the utilities were. You
6 know, there's always the danger in submitting IRs that
7 -- and I'm not making any allegation that the utility
8 would be evasive. It's more sort of, we ask a
9 question and sometimes the detail that we are asking
10 for is not provided or there's a misunderstanding
11 about what actually the information we're asking for
12 was.

13 So, you know, when we have these types of
14 situations, normally, and people ask for process and
15 they says, "Okay, we'll have a round of IRs and then
16 we'll go into whatever else." People say, "Let's have
17 another procedural conference in order to check in on
18 people and see if they feel that this is enough to get
19 forward." I think that it would go some way, provided
20 the utilities acted in good faith. And they have a
21 good record of doing so, so I have no expectation that
22 that would not be the case. But without speaking to
23 my experts directly I can't say with any degree of
24 certainty that they feel that that would address their
25 concerns.

26 As a practitioner with a great deal of

1 experience, I think that my concerns could be largely
2 allayed. If I could have an opportunity to reach out
3 to my experts between now and when we go into reply,
4 I'd be happy to deal with that in my reply and
5 submissions. Because it wasn't something I had
6 contemplated or canvassed with them.

7 THE CHAIRPERSON: Are you asking for us to take a break
8 so you can contact them?

9 MS. WORTH: If we could take a break after, I believe
10 Mr. Quail's going to be making submissions.

11 THE CHAIRPERSON: Yes, and Mr. Hobbes as well.

12 MS. WORTH: Yeah. And I'll call -- I'll probably be
13 able to get ahold of Mr. Bell more easily. And I'll
14 reach out to my experts and see what their position
15 would be on a third round of IRS potentially allaying
16 their concerns.

17 THE CHAIRPERSON: Yeah, and then also a little more
18 specifics on the areas that you'd like to look at.

19 MS. WORTH: Certainly, I'll see what I can do.

20 THE CHAIRPERSON: Okay. I'm sorry to interrupt, go
21 ahead.

22 MS. WORTH: No, no, that's what this is for.

23 So, because we've already discussed our
24 objections and our concerns about Fortis' table 1, our
25 additional comments are going to focus on table 2 and
26 table 3. Table 2 is a proposed for written hearing

1 with IRs and rebuttal evidence and it provides less
2 than two weeks for intervenor IRs on Fortis' rebuttal
3 evidence. And our expert, Mr. Bell, has asked that we
4 actually modify this slightly to provide two weeks if
5 there isn't a written hearing, which would be December
6 10th instead of December 6th with the corresponding
7 adjustments.

8 We do appreciate that Fortis has allowed
9 for a greater period of time for intervenor final
10 submissions and we would ask that that be preserved if
11 there were any adjustments to the regulatory schedule
12 in the course of a written process.

13 And table 3 is the FortisBC timetable
14 proposed for an oral hearing, albeit based on what we
15 have already noted, we feel is an overly narrow scope.
16 We were originally going to seek the clarification
17 that was sought and received by the Chair, Mr. Cote,
18 so we have no further submissions on that.

19 Thank you, subject to any further
20 questions.

21 COMMISSIONER LOCKHART: So, how many days would you
22 estimate are helpful for an oral hearing?

23 MS. WORTH: I think what I'd have to do is, because we
24 had the clarification from Fortis that they were
25 intending to do rebuttal evidence and now we have the
26 clarification that we can cross-examine on that. I

1 think I need to kind of take a few minutes and just
2 re-examine that and then also talk to my expert. If I
3 could address that in my reply I would appreciate
4 that.

5 **Proceeding Time 9:59 a.m. T13**

6 COMMISSIONER LOCKHART: Certainly, okay, thank you.

7 THE CHAIRPERSON: I might ask all the parties if it
8 would be helpful if they could give their views based
9 on how they view an oral hearing, how long it would
10 take.

11 MS. WORTH: Absolutely, thank you.

12 THE CHAIRPERSON: Mr. Hobbs.

13 **SUBMISSIONS BY MR. HOBBS:**

14 MR. HOBBS: Yes, I can be very brief this morning by
15 beginning by saying that the ICG supports table 2 of
16 Exhibit B-20. That really answers questions 1, , and
17 3, of your items for comment this morning, Mr. Chair.

18 The only additional comment I will make,
19 and that is to add to Mr. Ghikas' list of items that
20 might be included in the scope of an oral hearing
21 should there be one, and I'd add two. One, the use of
22 the deferral accounts, and two, alternatives to the
23 MRP, so alternative regulatory parameters for rate
24 making purposes, to those established in the MRP.

25 THE CHAIRPERSON: Okay.

26 MR. HOBBS: So that concludes my submissions.

1 THE CHAIRPERSON: That concludes? Okay. Any
2 questions? Thank you, Mr. Hobbs.

3 MR. HOBBS: Okay.

4 **SUBMISSIONS BY MR. QUAIL:**

5 MR. QUAIL: I will be brief as well. First of all,
6 general comment, I assume that an application for
7 interim relief while the permanent relief proceeding
8 is pending is a part of the same process. So
9 responding to my friend Mr. Weafer's suggestion, it
10 may be good to make it explicit. But I just assume
11 that issues arising in the application for interim
12 relief are inbounds, because it is really the same
13 overall process.

14 Very briefly, we didn't file any
15 information requests on BCOAPO's evidence, so it's
16 unlikely we'd file any on rebuttal evidence to that,
17 as long as the rebuttal is confined to the scope of
18 that intervenor evidence. Although we would reserve
19 the right to do that, but we are not here clamouring
20 for that entitlement. And we would agree with CEC
21 that it makes sense for IRs on the interim rates
22 application to be permissible at that point. If there
23 are IRs on the evidence.

24 We are not seeking an oral hearing. We
25 will be there if there is one, but I don't hear a lot
26 of clamour for an oral hearing from most quarters at

1 least. We agree with CEC that reliance on the records
2 of the annual review proceedings should be
3 permissible.

4 We can live with any of the timetables that
5 have been proposed, and I have nothing further to say,
6 subject to any questions you might have.

7 THE CHAIRPERSON: No questions, thank you Mr. Quail.

8 **SUBMISSIONS BY MR. MILLER:**

9 MR. MILLER: Commissioner Cote, staff have two brief
10 submissions. The first is, if there is not going to
11 be an oral hearing staff would like to reserve the
12 right to ask questions on the proposed Fortis rebuttal
13 evidence.

14 The second submission is staff does not
15 believe that an oral hearing is warranted. We believe
16 the record is very fleshed out, and more than adequate
17 for an appropriate decision by this panel.

18 I don't know if you wanted me to address
19 the issue of length of the hearing at this time or
20 not?

21 THE CHAIRPERSON: Certainly, I'd like to hear from your
22 perspective.

23 MR. MILLER: So with all due respect to the
24 intervenors, I've sat through many oral hearings and
25 listened to estimates of time. My view would be, if
26 we're sitting 9 to 5, we could do the entire

1 application if there was no scoping, within a week.
2 If we were to scope it down, we are looking at far
3 less time. And I would suspect that if it is
4 restricted to the areas that Fortis is suggesting, and
5 perhaps one or two others, we'd be two or three days
6 maximum.

7 Those are my submissions subject to any
8 questions.

9 THE CHAIRPERSON: Thank you. I think we are going to
10 call adjourn for a few moments, and have a break. The
11 time is now, just about 10:05. Why don't we reconvene
12 at 10:20?

13 **(PROCEEDINGS ADJOURNED AT 10:04 A.M.)**

14 **(PROCEEDINGS RESUMED AT 10:28 A.M.)** **T14/15**

15 THE CHAIRPERSON: Please be seated.

16 Mr. Quail, do you have any additional
17 comments?

18 MR. QUAIL: Mr. Chair, part of me is tempted to get up
19 and denounce everything I said just a few minutes ago
20 on record, but I'll abstain.

21 THE CHAIRPERSON: Thank you. Mr. Hobbs, any reply?
22 Mr. Hobbs?

23 MR. HOBBS: Yes, I'm here.

24 THE CHAIRPERSON: Do you have anything to add in reply?

25 MR. HOBBS: No.

26 THE CHAIRPERSON: Nothing, okay. Ms. Worth?

1 **REPLY BY MS. WORTH:**

2 MS. WORTH: Thank you for the opportunity, Mr. Chair,
3 members of the panel, to consult with my experts. I
4 was able to speak with two of the three, and I can
5 advise that I canvassed with them whether a third
6 round of IRs – as suggested by you, Mr. Cote – might
7 alleviate their concerns and negate the need for an
8 oral hearing, and the two of the three that I spoke to
9 were agreed on that point and our position as counsel
10 is that that would alleviate our concerns about the
11 state of the evidence as well. So provided a third
12 round of IRs was offered, we would take advantage of
13 that and we would not be advocating for an oral
14 hearing that point.

15 However, I did canvass with them asking
16 more detail regarding the areas requested for oral
17 hearing, and really it all just boils down to the
18 areas that I had listed in my submissions are areas
19 where we feel that the utility has crossovers. So
20 they've made adjustments that we feel are making the
21 utility's job far easier to achieve benefits to the
22 shareholder, and there's parts where we feel that the
23 issues are -- that I've identified are crossing over
24 or ending up in double paying. So they're sort of
25 receiving double benefit for certain activities within
26 those purviews.

1 Other than that, in the time that I was
2 allotted I wasn't able to get much more detail, but
3 that's basically the issues that we're going for in
4 pursuing that. And if we were to have an oral
5 hearing, then I believe that I could take the
6 information that we would need to pursue and compress
7 it to about a day or a day and a half of cross-
8 examination.

9 And subject to any questions, those are my
10 submissions.

11 THE CHAIRPERSON: Do you have a question?

12 COMMISSIONER LOCKHART: Yeah. So in terms of areas of
13 crossover or double benefit, what areas are we looking
14 at for that?

15 MS. WORTH: Well, the adjustments were -- when I made
16 sort of reference to adjustments it was in the base
17 O&M area. And then the other areas that I had
18 actually identified in my submissions, like for
19 example, there're talking about having benefit for
20 customer engagement, and then elsewhere in their
21 application they're talking about an increase for -- I
22 can't remember exactly how they out it, but basically
23 it ended up in kind of a double counting situation.
24 So it's increasing the benefit to the shareholder and
25 to the utility, potentially at the cost of ratepayers,
26 for the same activities. So those are the -- it's

1 activities within those particular subject matters
2 that we're looking at for that.

3 COMMISSIONER LOCKHART: And does that need cross-
4 examination or is that just for final argument?

5 **Proceeding Time 10:32 a.m. T16**

6 MS. WORTH: For us it was an opportunity to clarify
7 because we didn't have that clarification in our IRs
8 thus far about that. But if we have that extra round
9 of IRs that we can seek that clarification and receive
10 it.

11 COMMISSIONER LOCKHART: I see, all right. Thank you.

12 MS. WORTH: Thank you.

13 THE CHAIRPERSON: Thank you, Ms. Worth.

14 MS. WORTH: Thank you.

15 THE CHAIRPERSON: Mr. Andrews?

16 **REPLY BY MR. ANDREWS:**

17 MR. ANDREWS: Regarding table 2, I take no position on
18 whether the deadline for intervenor IRs on rebuttal
19 evidence should be December 10 instead of December 6.
20 It would probably not be our major focus in any event.
21 It sounds as though the possibility of an oral hearing
22 extending to the point where it had to occur, either
23 continue in or begin in February, is now close to
24 moot. But I just would reiterate, I guess as a point
25 of principle and setting aside my own schedule, that
26 it's really important that these proceedings move

1 along in a timely way, taking into the account the
2 importance of the subject. That is, decisions need to
3 be made in the real world and, you know, I think we
4 need to keep in mind doing our best to make those
5 decisions in a timely manner. I'll leave it at that.

6 THE CHAIRPERSON: Thanks. Any questions?

7 COMMISSIONER FUNG: No, I think we're good.

8 THE CHAIRPERSON: Couple of questions. With regards to
9 the proposal for a third round of IRs, do you have any
10 thoughts on that? Do you feel you need it?

11 MR. ANDREWS: For BCSCEA, we do not have a need for a
12 third round of IRs. I would also, I guess, comment
13 that there is a procedure for intervenors or the
14 staff, I think, who feel that they have not gotten a
15 satisfactory response to an information request to ask
16 the utility, off the record, to provide additional
17 information. And in some cases the utility will file
18 that information on its own motion. In other cases
19 where there's a remaining dispute, specific IR
20 responses are brought to the attention of the
21 Commission, that then makes a decision about whether
22 responses are required. So that is a mechanism that
23 theoretically could be used.

24 Beyond that, as to whether there are
25 particular issues to do with double counting and so
26 on, I can't take any and don't take any position.

1 Those would clearly be matters of argument in the end.
2 Whether there's more evidence required to flesh those
3 out, I'm not in a position to provide any comment on.

4 THE CHAIRPERSON: Okay. Second question, with regards
5 to the interim rates application, from the point of
6 view of any IRs that may be on that, from a timing
7 perspective, do you have any preference as to where
8 they should go? Should they be tied in with the
9 rebuttal questions? Or --

10 MR. ANDREWS: I don't have a specific suggestion. My
11 sense is that, sort of the sooner the better is what's
12 coming to my mind as the way to describe it. If it
13 would be convenient to have IRs on different topics
14 due on the same day, but if doing that would cause a
15 delay, then I would go with having an earlier deadline
16 for IRs on a particular topic and to have them come in
17 in a sequence.

18 THE CHAIRPERSON: Thank you, Mr. Andrews.

19 Mr. Weafer?

20 **REPLY BY MR. C. WEAFER:**

21 MR. C. WEAFER: Just two points. In terms of length of
22 hearing, I think Mr. Miller was pretty close in terms
23 of three days, at least on what I've heard and I don't
24 anticipate we would be taking a lot of air in the oral
25 hearing. But I think that's a fair estimate given
26 what's been discussed.

1 **Proceeding Time 10:37 a.m. T17**

2 With respect to the third round of
3 information requests, that obviously solves our issue
4 with respect to the interim rate application filed
5 yesterday, which I didn't know now was on the website,
6 so yes, it's part of this proceeding. So that would
7 solve that issue if there was a third round of IRs
8 scheduled. Also if there is a third round of IRs
9 scheduled it solves the -- to the extent Fortis takes
10 issue with my proposal with respect to the annual
11 review materials, we can deal with that with an IR and
12 ask that all those materials be filed. So we are just
13 trying to be efficient, and don't see that as
14 necessary, but that will be a way of dealing with that
15 from a practice standpoint. If there is a concern
16 around, it's not a concern right now, and we don't
17 think that concern is legitimate. But if raised, a
18 third round of IRs would solve that issue for us.

19 So those are my submissions.

20 COMMISSIONER FUNG: And do you have any submissions on
21 the timing of that third round of IRs? Can it
22 coincide with the IRs on the rebuttal evidence?

23 MR. C. WEAVER: It could for us, yes.

24 COMMISSIONER FUNG: Thank you.

25 COMMISSIONER LOCKHART: And does that take care of your
26 concerns for an oral hearing?

1 MR. C. WEAVER: I'm sorry?

2 COMMISSIONER LOCKHART: If there is a third round of
3 IRs on the annual reviews and interim rate
4 application, does that negate any need for an oral
5 hearing in your submission?

6 MR. C. WEAVER: We're not asking for an oral hearing,
7 so we're fine either way. A third round of IRs would
8 deal with these other issues I've raised, which I
9 don't think should be issues. But in the event Fortis
10 takes concerns, that's what we would ask for.

11 COMMISSIONER LOCKHART: Okay, thank you.

12 MR. C. WEAVER: Thank you.

13 THE CHAIRPERSON: Thanks, Mr. Weaver.

14 Mr. Ghikas, lots to work through.

15 **REPLY BY MR. GHIKAS:**

16 MR. GHIKAS: Yes, but I think we're there. There may
17 be a bit of paper shuffling here, but we'll get there.

18 First of all, on the issue of whether an
19 oral hearing is required, certainly the general tide
20 was moving towards not having one, and potentially
21 having a third round of IRs. In my submission it is a
22 good development that we are moving away from an oral
23 hearing, because in my submission the value simply
24 hasn't been demonstrated. When we're in a
25 circumstance where the Commission has put it to the
26 parties to identify specific issues for an oral

1 hearing, in my submission it is incumbent upon a party
2 that is suggesting an oral hearing to not only
3 identify an issue for oral hearing, but to demonstrate
4 what additional value would come with having an oral
5 hearing versus having a comprehensive written record
6 on that particular issue. And in my submission, we
7 didn't get that far from -- we just never got that far
8 in terms of the information made available by my
9 friend Ms. Worth.

10 So, I will actually hand over to Mr.
11 Bystrom for a moment, just to deal with a couple of
12 the specific issues that were identified as issues of
13 concern by Ms. Worth, and Mr. Bystrom will provide
14 information about why those specific issues don't
15 merit further process.

16 **REPLY BY MR. BYSTROM:**

17 MR. BYSTROM: So, the issues I heard Ms. Worth raise as
18 potentially topics for an oral hearing were what I
19 call the MRP elements, the growth factor and so on.
20 These are the same kind of topics that Mr. Bell
21 addressed in his evidence. And in Fortis' view, an
22 oral hearing is not needed for this topic. The BCUC
23 is in fact well positioned to deal with these topics
24 in writing. And Mr. Ghikas addressed this in his
25 primary submissions about how the 2014 PBR proceeding
26 really had a deep dive into these specific matters

1 with multiple experts on the theory of PBR and the
2 various elements of a PBR plan. And the annual review
3 process over the current PBR plan was designed to be
4 more extensive than usual and I think what that
5 accomplished was that there is a great deal of
6 familiarity with the topic of PBR and how the various
7 elements works. So that just goes to the solid
8 foundation that Mr. Ghikas spoke to in his
9 submissions.

10 And FortisBC's proposals on this topic of
11 the MRP elements are really variations on a theme that
12 we have seen before. The issues about the X-factor,
13 and the growth factor, the design of an efficiency
14 carryover mechanisms, these are not new issues, but
15 part of an ongoing dialogue that we've had for many
16 years now. And on top of that, we've had extensive
17 information requests already in the first two rounds.

18 **Proceeding Time 10:42 a.m. T18**

19 And frankly I think all of the information is on the
20 record and we are well at the point of diminishing
21 returns to explore that further.

22 I also heard Ms. Worth talk about the O&M
23 base as a topic. And I think that was where she
24 raised issue of the double counting, I believe how she
25 phrased it, of benefits or something along those
26 lines. And, again, our submission is this is a topic

1 that can be dealt with in writing. And it was a topic
2 in fact that was dealt with in writing in 2014, quite
3 adequately, and we believe it continues to be suitable
4 for writing.

5 And, again, there's been many, many IRs on
6 this topic and many IRS in fact on this issue of
7 double counting. And those are mostly from the
8 Commission and we can dig up a reference to those if
9 needed and provide them to Ms. Worth for her
10 reference, so that she can have reference to those in
11 argument if needed. But, again, we believe all the
12 information is on there. We're really not seeing what
13 more we have to offer to flush out those issues. And,
14 again, we're really at the point of diminishing
15 returns in offering further information.

16 And just, you know, in a final note, I
17 think BCOAPO has had two rounds of IRs now and had the
18 opportunity to ask the questions and it's just -- it's
19 unclear to me, you know, why there could be, you know,
20 further ones that are needed now in a third round on
21 these topics which have been, you know, well
22 understood and well known since the application was
23 filed.

24 And with that I'll turn it back over to Mr.
25 Ghikas.

26 **REPLY BY MR. GHIKAS (Continued):**

1 MR. GHIKAS: Thank you. So turning now to the issue
2 about the IRs on the information in the interim rates
3 process. I am going to make two points here. The
4 first one is that when you dig down this might sound
5 like -- on first blush like it makes a lot of sense.
6 In my submission when you dig down -- and we will dig
7 down for you -- that it is really unnecessary based on
8 what is already on the record.

9 And second of all, if you decide that an IR
10 round should happen, it should happen soon. And I
11 will give you some timing. And it should, most
12 importantly, not hold up the interim rates application
13 itself. As I understand it, no one is specifically
14 asking for these IRs on the interim rates application
15 per se, but rather on the information that my friend,
16 Mr. Weafer, identified as being new 2019 information.
17 So it would be appropriate, in my submission, that the
18 interim rates application itself stand based on the
19 evidence put forward. So I will dig into that a
20 little bit more.

21 So first of all, what makes the most sense
22 here is for me to hand the reins to Mr. Bystrom again
23 to go through a list of what is actually on the record
24 after the first two rounds of information. And my
25 submission to you is going to be that when you hear
26 that list and when Mr. Bystrom identifies exactly what

1 really is new information in the interim rates
2 application, that that last list is going to be very
3 short and the first list is going to be very long in
4 terms of what is already on the record. And so, in
5 terms of whether or not you're deciding to have a
6 round of IRs at all, that matters, about what the true
7 value is that you're getting out of it.

8 And second of all, if you're going to have
9 IRs, it makes a lot of sense to actually focus on the
10 new things that my friends are saying is necessary to
11 look at. And there will be a whole shopping list of
12 things that are not new and that can be scoped out of
13 a round like that and the round can be very narrow,
14 and should be very narrow if we go that route.

15 So with that I will hand it over to my
16 friend, again.

17 **REPLY MR. BYSTROM (Continued):**

18 MR. BYSTROM: So I'm just going to walk you through the
19 elements of information, the key information that were
20 in the MRP application, the original application filed
21 in this proceeding, related to I think the annual
22 review type of information that would normally be
23 filed or that the companies normally have in the
24 annual review. And this is the type of information
25 that, I understand, Mr. Weafer is interested in.

26 **Proceeding Time 10:47 a.m. T19**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

So, in Exhibit B-1, that was the body of the MRP application. So in section B2.3, in that section the company's provided historical, actual information up to 2018, as well as 2019 projected information for O&M and capital expenditures.

What the companies did is provide analysis of O&M and capital over that timeframe and the saving that were achieved. And also the extent capital was, over the formula, to the extent it exceeded the deadband and so on. It provided that whole analysis over the term of the PBR plan. And it also looked then at, sort of, what the outcome and rates, and looked at trends and rates over from 2014, again, to 2019 projection.

And the key point, I suppose, is that the 2019 projections were already on the record in the application as filed. So, I'll get to, when I turn to the interim rates applications, those numbers were updated a bit in the interim rate application, but the projections were already on the record in the initial application.

So, in section C2 of the MRP of application, that dealt with the O&M base and formula. And this really provided a detailed discussion about setting the O&M base, which included -- talked about

1 the 2000 actual information and then forecasts of
2 incremental needs above that. So again, that was a
3 very comprehensive discussion about O&M and what was
4 not only needed in 2018 but going forward.

5 Third, section C3 of the application dealt
6 with the capital forecast. And in that section both
7 FEI and FBC provided 2014 to 2018 actual information,
8 the 2019 projected information and the forecast from
9 2020 to 2024. And that was provided in detail to the
10 level of detail that a cost of service application
11 would normally include.

12 And then in Exhibit B-1-1, these were the
13 appendices to the application. In the appendices
14 there was a lot of background information, but a lot
15 of it was key information that would normally be filed
16 in the annual reviews, which we filed in the
17 appendices. So, appendix B1 was response to BCUC
18 directives, and this provided a comprehensive list of
19 the outstanding BCUC directives and how the companies
20 responded to those. And a lot of those directives
21 related to information that the Commission asked the
22 companies to file in the annual review. And that's
23 all -- there's a clear record there of all that
24 information, where it is.

25 This is fifth in my list, but appendix B2,
26 this is the FEI forecasting methodology study. This

1 was in response to a Commission directive that was --
2 this was something that we dealt with every year in
3 the annual review. And so this is a concluding report
4 on FEI's study of this alternative forecasting method.

5 Six, appendix B6, this is the FEI report on
6 major initiatives during the PBR term. FEI filed this
7 same report during the annual reviews. It showed
8 major initiatives to achieved savings over the PBR
9 term. And so that was filed in the MRP application
10 originally.

11 Seventh, appendix B7, this is an FEI report
12 on headcount and FTEs. Again, this is the report the
13 FEI filed each year in the annual reviews. We did so
14 again in the MRP application.

15 Eighth, appendix B8, this is FEI and FBC's
16 report on capital directives. And this is quite a
17 detailed report for each company on its experience
18 with capital, what its forecasts were, what its
19 actuals were, why there were capital expenditures
20 above the formula and above the deadband and how --
21 detailed explanation on all that. And that was in the
22 original MRP application.

23 And then finally, ninth, appendix C5, these
24 were the FEI and FBC SQI reports. So these include
25 all 2018 actual results and actually historical
26 results as well. And you'll find the same level of

1 discussion on those results that would ordinarily be
2 filed in the annual review materials.

3 **Proceeding Time 10:52 a.m. T20**

4 And a key point here is that in the annual
5 review, what the Commission determined was, say if
6 we're in 2019, at that point the Commission would be
7 looking at 2018 results, because that's when it had
8 the full actual results for the SQIs. It wouldn't be
9 focusing on partial 2019 information. So really, we
10 had a complete set of SQI information at the outset of
11 this proceeding in Appendix C5 of the MRP application.

12 So that's just an outline of what we filed
13 originally. I thought since that -- we just filed the
14 interim rate applications it might be helpful for me
15 to just walk you through what's in there, and point to
16 what's new on the record with respect to 2019, which I
17 believe is the focus of Mr. Weafer's query.

18 So, Exhibit B-21, and B-22, those are FEI
19 and FBC's interim rate applications. And in the body
20 of those applications it's really the forecast revenue
21 requirements and rates for 2020. So that is based on
22 the proposed formula elements, mostly that's the O&M
23 base, and for FEI also the growth capital, and the
24 rest of it is forecast, cost of service forecast for
25 2020. And really, that information isn't the type of
26 information that I believe Mr. Weafer is interested.

1 That's looking at 2020, which is really outside the
2 current PBR plan. Mr. Weafer I understand is looking
3 more at the annual review type information, a sort of
4 wrap-up of the PBR. So, the body of that application
5 isn't that relevant for his purposes.

6 There are two appendices, appendix A is the
7 full financial schedules for 2020. Again, this would
8 be the same as filed in the annual review, and so that
9 is helpful for 2020. There is some historical
10 information in there as a comparison to what we
11 forecast.

12 Appendix B is a PBR elements, and that's
13 perhaps the most relevant for Mr. Weafer's purposes.
14 These are the key schedules that we would be filed in
15 the annual review materials. Table 1 is the 2019
16 flow-through deferral account addition, so the
17 Commission approved the flow-through deferral account,
18 which sort of captured all the costs that were in the
19 formulas, and they all got trued up. So this is an
20 accounting of that for 2019.

21 Table 2 is a summary of the earnings
22 sharing calculation to be returned in 2020. And in
23 this schedule we update the O&M and capital
24 projections for 2019. So, as you'll recall, I talked
25 about how the projections for 2019 were already in the
26 MRP application. This is an update to that. So now

1 we have more updated information, and that is
2 reflected in the earnings sharing to be returned in
3 2020. And there is more detailed tables about the
4 calculations of the earnings sharing and adjustments
5 for actual customer growth and so on. These are all
6 the exact same tables that appeared year over year in
7 the annual review.

8 I am not sure what more questions really
9 need to be asked about that. It should be well
10 understood how those calculations are done at that
11 point. As I said, the projection is really on savings
12 and so on, which is the key information is already on
13 the record, it has been updated, but I'm not sure what
14 hangs or falls on the exact number.

15 Finally, table 6 in the Appendix B is the
16 SQIs, that's the 2018 actuals, which was already on
17 the record. And then 2019, year-to-date, which is the
18 information up to September 2019. And as I mentioned,
19 that's just partial information and the Commission
20 determined that it wouldn't need to look at -- it
21 wouldn't make a determination on service quality based
22 on partial SQI information.

23 So, in the 2020 annual review as we've
24 proposed next year, we'll have the actual 2018 full
25 results, at which point those can be reviewed.

26 So the net result of all this is that I

1 think, in my submission, we have the vast majority of
2 the information that's relevant to an annual review
3 was on the record already from the beginning. There
4 has been a small amount of new information added, and
5 it's not clear really how key that is for this
6 proceeding going forward.

7 I'll turn it back over to Mr. Ghikas.

8 **Proceeding Time 10:56 a.m. T21**

9 COMMISSIONER KEILTY: A question, Mr. Bystrom. In the
10 updated information is there a significant difference
11 from what was filed in the projection versus what
12 actually is in the interim rate application?

13 MR. BYSTROM: So, O&M is exactly the same,
14 approximately, and then there is a small difference in
15 capital. So I don't think there is a significant
16 difference, but there are some differences.

17 COMMISSIONER KEILTY: Thank you.

18 **REPLY BY MR. GHIKAS (Continued):**

19 MR. GHIKAS: So the second aspect of my submission on
20 this point, as you may recall, was that if the
21 Commission is going to be ordering IRs, a third round
22 or IRs, that it should happen soon. It shouldn't be
23 waiting until IRs on rebuttal evidence. There doesn't
24 seem to be any substantive reason why they should have
25 to go together. And in my submission it is far more
26 favourable from the perspective of fairness to have

1 those issues canvassed earlier, rather than later.

2 So if that were to happen, the proposal
3 would be two weeks from the date of the order the IRs
4 would be asked and three weeks following that they
5 would be answered. And my friend, Mr. Weafer, seemed
6 to indicate that he was content to have the timeline
7 pushed forward, and so we note that. Also my friend,
8 Mr. Andrews, indicated that the sooner, the better,
9 and that's a sentiment we share.

10 The last aspect, of course, that I
11 mentioned is that it shouldn't hold up the approval of
12 interim rates. The interim rates process is one that
13 should occur based on *prima facie* evidence. It's not
14 judging the outcome of anything. It's a placeholder,
15 I believe Mr. Quail referred to it in the last
16 application, and that is exactly what it's for. It's
17 to allow procedures to unfold and without prejudice to
18 parties.

19 And I would note in that regard that in the
20 last application interim rates were dealt with based
21 on -- and awarded based on what had been applied for.
22 And I'll just read out just for your benefit what the
23 Commission had said in that referred in Order G-150-13
24 on page 6:

25 "Given that interim rates are refundable subject
26 to further determinations and the general

1 practice of implementing the rates that are
2 applied for by the utilities, **the Panel**
3 **determines that FEI and FBC should be granted**
4 **their respectively proposed interim rate**
5 **adjustments, effective January 1, 2014."**

6 So that is the approach that we're urging
7 the Commission to take now. And if there is any
8 further process on the information in the interim
9 rates filing, that that be separated from the question
10 of whether interim rates should be approved and what
11 they should be.

12 The quick point on the annual review
13 evidentiary record, that's something that we had been
14 asked by CEC -- that Fortis had been asked in CEC IR
15 1.4.2. And in the response to that information
16 request Fortis indicated that it had no objection to
17 the inclusion of the record from those prior processes
18 in the evidentiary record here. And that continues to
19 be the position.

20 One things that I forgot to address in the
21 course of dealing with whether the scope of an oral
22 hearing was my friend, Mr. Hobbs's, response
23 indicating that the issue of whether cost of service
24 versus PBR should be included in the scope of the oral
25 hearing.

26

Proceeding Time 11:01 a.m. T22

1 My submission is that it should not be. And I would
2 take you back again to what I referred to as the
3 declining number of IRs between round one and round
4 two. And on this issue it is notable that the CEC and
5 ICG only asked 31 for CEC and 64 for ICG in the second
6 round, having canvassed the issues more extensively in
7 the first round. And in my submission they took that
8 approach, obviously recognizing that the issue of
9 whether there was an oral hearing had yet to be
10 determined, and it is indicative, in my submission,
11 that the issues are crystalized. People know where
12 people stand on that issue and they will agree to
13 disagree on those points.

14 And in my submission I have every
15 expectation that ICG will be advancing its position
16 rigorously in final argument, and that that is the
17 right place for that issue to be addressed. And that
18 the Commission would ill served by having an oral
19 hearing simply repeat a disagreement where there is an
20 agreement to disagree and not much further can be
21 gained from including that for the scope of an oral
22 hearing.

23 Lastly, turning to issues related to the
24 timetable. Fortis has heard today a strong preference
25 that if it's to be written proceeding that table 1 be
26 ruled out and that table 2 be the preferred option,

1 that there be IRs on rebuttal evidence. Fortis is
2 content with that. So it is not advocating table 1
3 with any rigor, if I can put it that way. Table 2 is
4 satisfactory.

5 The issue of when a hearing could occur if
6 it wasn't occurring in the allotted dates was raised
7 by my friend, Ms. Worth. And she characterized a
8 hearing in February as a minor delay. And Fortis
9 would take issue with that characterization. And the
10 reason for that is that it harkens back to a comment
11 that my friend, Mr. Andrews, made, which I thought was
12 observant, and it was that decisions need to be made
13 in the real world, and that is absolutely the case.

14 And the reason that arises in this
15 circumstance is that while we have interim rates in
16 place on January 1st, interim rates are not a silver
17 bullet. What happens when you're managing a business
18 is a lot depends on what your budgets are. And the
19 reality is, when you're going through a year with
20 interim rates you don't really know what your final
21 budget is until you have the permanent rates. And as
22 things stand, based on the timetables that are before
23 you, we're already a third of a way through the first
24 year of the MRP. And so when you tack on another
25 couple of months to that process and it extends
26 further, that does have real life impacts on the

1 utility.

2 And so, in my submission, there has to be
3 some recognition for that and the timetable that's
4 been set out does balance, in my submission, the
5 competing considerations of resolving something in a
6 timely way and also accommodating what are real life
7 considerations about the availability of parties and
8 so on.

9 But in terms of the sentiment about the BC
10 Hydro proceeding, that's something I can sympathize
11 with because I'm involved in that proceeding, on a
12 personal level. But from Fortis' perspective you can
13 understand why they would be asking, "Well, why would
14 we have to move our process and nor visa versa? And
15 why should one be placed ahead of the other?" And the
16 reality is neither should be placed of the other.
17 These applications should be moved forward
18 expeditiously. And where were can work around it we
19 do, but they has to be some accommodation as well for
20 the realities that there are multiple processes
21 involved going forward and all utilities have the need
22 to get these resolved in a timely way.

23 So in my submission, the timetable that's
24 been put forward strikes a fair balance. It does what
25 it can to accommodate people and there is just some
26 level of inconvenience, both on the part of the

1 utility and their lawyers and on the part of
2 intervenors and their lawyers that come with acting in
3 multiple proceedings at the same time. But that there
4 is a point at which we have to just simply accept that
5 there are warts on it but that it should proceed in
6 the interest of getting things done in a timely way.

7 My friend, Ms. Worth, raised a request to
8 delay asking IRs on rebuttal evidence from December 6th
9 to December 10th. Fortis does not consent to that
10 request.

11 **Proceeding Time 11:11 a.m. T24**

12 Fortis has a practice of trying to accommodate people
13 when it can do so, but in this circumstance it
14 believes that having been allowed two weeks to just
15 ask IRs -- I know it takes some time to formulate IRs
16 and ask them, but what essentially my friend is asking
17 is that BCOAPO be given more than two weeks to just
18 ask the IRs and Fortis has only got two weeks to
19 answer them. And in my submission, when you look at
20 those two things, one is certainly going to take
21 longer than the other. Answering them is going to
22 take a lot more. So there is a disproportionality
23 involved when we're pushing the period forward when
24 Fortis is responding things in two hours, and it is
25 backed right into Christmas. And in my submission,
26 the timeline, the way it stands, is appropriate, and

1 we will take that position at this time.

2 COMMISSIONER FUNG: Mr. Ghikas, I just have one
3 question. I take your point, but then is your concern
4 alleviated if there is no oral hearing the week of
5 December 16th?

6 MR. GHIKAS: Sorry, bear with us for a moment, we are
7 trying to do the mental gymnastics here.

8 COMMISSIONER FUNG: Take your time.

9 MR. GHIKAS: Okay, after that brief pause, there would
10 be less concern if the date remained as it was and the
11 exception was limited to BCOAPO alone, and that there
12 was another accommodation for their IR responses. If
13 there are any IR responses related to their questions,
14 that that be accommodated for Fortis as well to be
15 moved back accordingly. But that for everybody else
16 the dates remain in place.

17 COMMISSIONER FUNG: Thank you, understood.

18 MR. GHIKAS: Thank you, that concludes my submissions
19 subject to any further questions.

20 THE CHAIRPERSON: Any questions? Thank you, Mr.
21 Ghikas.

22 Mr. Miller -- oh, Mr. Weafer is standing
23 up.

24 MR. C. WEAFER: I wish to make two clarifications, one
25 of which I think will assist the record, one of which
26 Fortis may take issue with.

1 THE CHAIRPERSON: I'm sorry, could you repeat that? I
2 missed what you said.

3 MR. C. WEAVER: I wish to make two clarifications, one
4 of which I think will assist the record, one of which
5 Fortis may or may not take issue with, but I just seek
6 the right to make those clarifications?

7 THE CHAIRPERSON: Mr. Ghikas, do you have any
8 objections? No? Okay.

9 MR. GHIKAS: No.

10 THE CHAIRPERSON: Please.

11 MR. C. WEAVER: The first is just to be clear, when we
12 speak to the IRs on the evidentiary update, we are not
13 looking at challenging the interim rate application
14 itself. I think I said that in my first submissions.
15 Mr. Ghikas questioned whether that was the intent, and
16 it clearly is. We are not looking to get in the way
17 of the interim rate application.

18 **Proceeding Time 11:11 a.m. T24**

19 So the second clarification is Mr. Bystrom
20 sort of described a number of my intentions in terms
21 of dealing with the evidentiary -- the interim rate
22 application. To be very clear, we received that
23 yesterday afternoon. We've hardly read the matter. I
24 don't have a lot of intent with respect to the
25 specifics, but I do know it's fairly relevant
26 evidence, and the most recent evidence on the PBR

1 period. So I would urge the Commission to leave us a
2 reasonable scope to ask questions notwithstanding the
3 detailed reasons as to why Fortis asserts it's not
4 relevant. It is clearly relevant, and it's recent,
5 and we would like that right. Thank you.

6 THE CHAIRPERSON: Okay, thanks, Mr. Weafer. Mr.
7 Ghikas, do you wish to respond further?

8 MR. GHIKAS: No, I'm fine, thank you.

9 THE CHAIRPERSON: Mr. Miller, is there any other
10 information or issues we have to deal with today?

11 MR. MILLER: There is nothing that I am aware of,
12 Commissioner Cote.

13 THE CHAIRPERSON: Okay, then I think the panel will
14 take the transcript and carefully go over it, and come
15 up with what we feel to be the most appropriate
16 solution to the problem. I thank everybody for their
17 participation, and wish you all a Happy Halloween, and
18 we are now adjourned.

19 **(PROCEEDINGS ADJOURNED AT 11:12 A.M.)**

20

21

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

22

23



24

A.B. Lanigan, Court Reporter

25

26

October 31st, 2019