

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

and

British Columbia Hydro and Power Authority -
F2020-F2021 Revenue Requirements Application

Vancouver, B.C.
March 4th, 2020

PROCEEDINGS

BEFORE:

D. Morton,	Panel Chair/Commission Chair
A. Fung, Q.C.,	Commissioner/Deputy Chair
R. Mason,	Commissioner
B. Lockhart	Commissioner

VOLUME 15

ERRATA

Volume 5, January 20, 2020

Page 347, Line 26	"Chaudhary" should read "Choudhury"
Page 352, Line 15	"actually": should be "Actual"
Page 353, Lines 15, 21, 23 "	"Tsey Key Dene" should read "Tsay Keh Dene"
Page 354, Line 26	"Tsey Key Dene" should read "Tsay Keh Dene"
Page 368, Line 22	"liability" should read "reliability"
Page 370, Line 16	"MR. O'RILEY" should be "MR. WONG"
Page 381, Line 21	"principal" should read "principle"
Page 410, Lines 6,7	"with them more" should read "with the word 'more'"
Page 412, Line 10	"combativeness" should read "competitiveness"
Page 416, Line 24	"Mr. Nicholation" should read "Mr. Nikolejsin"
Page 421, Line 3	"Mr. Nicholation" should read "Mr. Nikolejsin"
Page 434, Lines 11-12	"depreciate in review" should be "Depreciation reviews"
Page 434, Line 14	"you" should be "your"
Page 440, Line 2	"written" should be "revenue"
Page 443, Line 6	"lines" should be "50/50"
Page 456, Line 24	"contracted" should be "contractor"
Page 465, Line 2	"ab it" should read "a bit"

Page 479, Line 21	"Main" should be "MIN"
Page 481, Line 9	"5-48" should be "5-49"
Page 481, Line 20	"appendix D" should be "appendix T"
Page 481, Line 24	"invest their own" should be "investor owned"
Page 482, Lines 3, 11	"appendix D" should be "appendix T"
Page 484, Line 12	"appendix D" should be "appendix T"
Page 484, Line 24	"appendix C" should be "appendix T"
Page 485, Line 26	"differently" should be "definitely"
Page 515, Line 11	"dCat" should read "DCAT"
Page 528, Lines 16,17	"Kia account" should read "key account"
Page 529, Line 6	"Prez" should read "PRES"
Page 534, Line 7 Page 536, Line 8	"Ms. Fasier" should read "Ms. Fraser"
Page 544, Lines 24,25	"but in a billion" should read "put in a billion"
Page 550, Line 14	"MP" should read "M&P"
Volume 6, January 21, 2020	
Entire Volume	"SMP" should be "S&P"
Page 596, Line 26	"clear power" should be "clean power"
Page 609, Lines 19-24	"MR. O'RILEY" should be "MR. AUSTIN"
Page 636, Line 10	"Power Certification" should

	be "PAR Certification"
Page 649, Line 13	"St'at'yemc" should be "St'at'imc"
Page 656, Line 20	"ARC sites" should be "arch sites"
Page 687, Line 5	"supply chair" should be "supply chain"
Page 719, Line 12	"10" should be "100"
Page 741, Line 8	"IEP" should be "IRP"
Page 759, Line 3	"benching" should be "pension"
Page 760, Line 16	"execute" should be "executive"
Page 770, Line 18	"\$0.5 million" should be "18.5 million"
Page 771, Line 18	"manger" should be "manager"
Page 779, Line 4	"2029" should be "2020"
Page 780, Line 18	"MR. MR. LAYTON" should be "MR. GHIKAS"
Page 786, Line 12	"this budget application" should be "the Supply Chain Applications"
Page 789, Line 17	"\$20 million" should be "\$12 million"
Page 804, Line 19	"2105" should be "2015"
Page 806, Line 3	"REA" should be "RDA"
Page 814, Line 18	"DAR" should be "DARR"
Page 814, Line 23	"regulatory panel" should be "regulatory account"
Page 818, Line 13	"intellection" should be "intellectual"

Page 820, Line 22 "regulatory account" should be
"one regulatory account"

Page 824, Line 10 "is a regulatory" should be
"is in a regulatory"

Volume 7, January 21, 2020

Page 899, Line 11 "MR. WONG" should be "MR.
LAYTON"

Page 1006, Line 2 "their the vacation" should be
"the Application"

Page 1006, Line 3 "power access" should be
"Powerex's"

Page 1006, Line 5 "124 and 6" should be
"120.6"

Page 1006, Line 9 "consolation" should be
"cancelation"

Page 1038, Line 21 "MR. LAYTON" should be
"MR. WONG"

Page 1042, Line 7 "return equity" should
be "return on equity"

Volume 8A, January 21, 2020

Page 1095, Line 26 "charts" should be
"charge"

Page 1097, Line 25 "Land" should be
"plan"

Page 1133, Line 2 "1.6213.3" should
be "1.16.13.3"

Page 1199, Line 11 "MR. LAYTON" should be
"MR. WONG"

Page 1202, Line 11 "step" should be
"debt"

Page 1213, Line 13 "yesterday I our" should be
" yesterday in our"

Page 1215, Line 15 "variance plan" should be
"variance to plan"

Page 1226, Lines 23, 26 "MS. FRASER" should be
"MS. RYAN"

Page 1229, Lines 1,9 "MR. LAYTON" should be

	"MR. WONG"
Page 1230, Line 1	"MR. LAYTON" should be "MR. WONG"
Page 1234, Line 21	"--" should be "executive team"
Page 1240, Line 24	"RA" should be "RRA"
Page 1245, Line 3	"bit" should be "big"
Page 1247, Line 8	"my" should be "by"
Volume 9, January 21, 2020	
Page 1562, Line 9	"specificity" should be "specialically"
Volume 10, February 24, 2020	
Page 1617, Lines 14,22	"gigawatt" should be "gigawatt hours"
Page 1618, Line 24	"SIU" should be "SAE"
Page 1626, Line 9	"Mr. Ansley" should be "Mr. Ince"
Page 1641, Line 15	"MS. GJOSHE" should be "MS. MATTHEWS"
Page 1643, Line 26	"driver" should be "driven"
Page 1646, Line 8	"Mr. Daschuk" should be "Ms. Daschuk"
Page 1685, Line 12	"MR. RICH" should be "MR. CLENDINNING"
Page 1690, Line 7	"prominently" should be "predominently"
Page 1706, Line 12	"got green" should be "upgrade"
Page 1716, Line 2	"research" should be "resources"

Page 1716, Line 2	"research" should be "resources"
Volume 11, February 25, 2020	
Page 1852, Line 8	"SAFI" should be "SAIFI"
Page 1852, Line 8	"SADI" should be "SAIDI"
Page 1854, Line 21	"you've" should be "we've"
Page 1862, Line 5	"sustained" should be "sustain"
Page 1876, Lines 4.5.11	"X plan" should be "Ex-plan"
Page 1886, Line 21	"stock" should be "start"
Page 1886, Line 24	"MERK" should be "NERC"
Page 1887, Line 21	"MPV" should be "NPV"
Page 1891, Line 26	"complimentary" should be "complementary"
Page 1898, Line 2	"MPV" should be "NPV"
Page 1898, Lines 10,13	"MPV" should be "NPV"
Page 1899, Line 3	"batter" should be "battery"
Page 1899, Line 4	"ENOCAN" should be "NRCAN"
Page 1899, Line 18	"non-biased" should be "non-wire"
Page 1904, Line 22	"Mainland" should be "Mainwaring"
Page 1907, Line 12	"hour rate" should be "RRA"
Page 1913, Line 12	"prick" should be "pick"

Page 1919, Line 11	"next planned" should be "ex-plan"
Page 1920, Line 81	"790" should be "79"
Page 1921, Line 21	"aligned" should be "allowed"
Page 1922, Line 13	"breaker in" should be "breaker ring"
Page 1922, Lines 20,23	"complementary" should be "complimentary"
Page 1924, Line 20	"presumptions" should be "assumptions"
Page 1926, Line 12	remove "I want to say in"
Page 1929, Lines 25	"ISO" should be "AESO"
Page 1956, Line 5	"MYOB" should be "Mayo B"
Page 1964, Line 5	"no" should be "know"
Page 1966, Line 3	"We not" should be "We note"
Page 1967, Line 24	"procedure" should be "proceeding"
Page 1971, Line 15	"that is" should be "than in"
Page 1973, Line 16	"decreased 3.33" should be " decreased to 3.33"
Page 1974, Line 13	"IRP" should be "RFP"
Page 1979, Line 12	"continue even" should be "continue to"
Page 1984, Line 16	"chest" should be "chess"
Page 1984, Line 20	"competitors" should be "competitiveness"
Page 1987, Line 10	"Ms. Davies" should be "Mr. Bowman"

Page 2030, Lines 20, 24	"Ms. Davies" should be "Mr. Bowman"
Page 2031, Lines 1, 3, 7, 20, 26	"Ms. Davies" should be "Mr. Bowman"
Page 2032, Lines 5, 9	"Ms. Davies" should be "Mr. Bowman"
Page 2037, Line 12	"tent" should be "tend"
Page 2046, Line 22	"quarry" should be "chlorate"
Page 2056, Line 1	"new" should be "debt"
Page 2063, Line 11	"or" should be "to"
Page 2066, Line 18	"must" should be "much"
Page 2074, Line 2	"decrease" should be "increase"
Page 2089, Line 5	"Table 32" should be "Table 3-2"
Page 2091, Line 15	"ISP" should be "ISD"
Page 2091, Line 19	"genius" should be "genesis"
Page 2093, Line 17	"down bridge" should be "Groundbirch"
Page 2096, Line 16	"239" should be "230"

Volume 12, February 28, 2020

Page 2104, Line 24	"lanes" should be "lines"
Page 2114, Line 1	"our" should be "your"
Page 2206, Line 7	"\$5" should be "\$5 million"

Page 2206, Line 2

"to piles in" should be
"to put piles in"

Page 2226, Line 1

"addition" should be
"additional"

FOR ALL VOLUMES

"MS. DARBY"

should be "MR. DARBY"

APPEARANCES

P. MILLER,	Commission Counsel
M. GHIKAS, T. AHMED, C. BYSTROM,	British Columbia Hydro & Power Authority
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D. AUSTIN, J. WEIMER,	Clean Energy Association of British Columbia (CEABC)
J. QUAIL, S. QUAIL,	Movement of United Professionals (MoveUP)
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E. GJOSHE,	Self
P. WILLIS	Self
I. CULLIS	BC Non-Profit Housing Association

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VANCOUVER, B.C.

March 4th, 2020

(PROCEEDINGS RESUMED AT 9:05 A.M.)

THE CHAIRPERSON: Please be seated.

BC HYDRO PANEL 5 - DEMAND SIDE MANAGEMENT

KRISTIN HANLON, Resumed:

STEPHEN HOBSON, Resumed:

THE CHAIRPERSON: Apologies for the delay.

Mr. Bystrom, good morning.

MR. BYSTROM: Good morning, Mr. Chair, panel.

THE CHAIRPERSON: Yes, please go ahead.

MR. BYSTROM: I just have some undertakings to file and then the panel would also like to make a correction to yesterday's testimony.

THE CHAIRPERSON: Thank you.

MR. BYSTROM: So just to begin, we have a package of two undertakings, Undertaking No. 55, a question from Commissioner Lockhart, transcript Volume 13, page 2,543, regarding the breakdown of planned versus unplanned outages for BC Hydro's non-integrated areas.

The second undertaking is the public response to BC Hydro Undertaking No. 56, which is a question regarding details of negotiations with the municipality where BC Hydro changed the structure of the negotiations to get a more appropriate recovery of costs. So I'd ask that that package be marked as

1 Exhibit B-55.

2 THE HEARING OFFICER: Exhibit B-55.

3 (BC HYDRO UNDERTAKINGS NUMBER 55 AND 56 MARKED EXHIBIT
4 B-55)

5 MR. BYSTROM: And then next I have the confidential
6 response to BC Hydro undertaking number 56, again this
7 was a question from yourself, Commission Morton,
8 transcript Volume 13, page 2,553 to 2,554 regarding
9 the negotiations with the municipality. So I'd ask
10 that that be marked as Exhibit B-55-1.

11 (CONFIDENTIAL BC HYDRO UNDERTAKING NO. 56 MARKED
12 EXHIBIT B-55-1)

13 MR. BYSTROM: And so then next, we'd just like to make
14 a correction to the testimony from yesterday.

15 Ms. Hanlon, transcript Volume 14, Ms. Worth
16 asked you, "Your referring to the part of your
17 evidence that said when somebody applies for a
18 customer crisis fund they're also given an energy
19 savings kit, is that correct?" And your answer was,
20 "Correct, yes." Was that in fact correct, Ms. Hanlon?

21 MS. HANLON: A No, I'd like to correct my response
22 there. The processes for those who are accepted into
23 the customer crisis fund, they are extended an
24 opportunity to receive an energy savings kit if they
25 choose to be contacted by BC Hydro.

26 THE CHAIRPERSON: Choose to be contacted about the

1 energy saving kit?

2 MS. HANLON: A That's correct.

3 THE CHAIRPERSON: Or contacted generally?

4 MS. HANLON: A Just about the energy savings kit, yeah.

5 COMMISSIONER LOCKHART: And, Mr. Bystrom, which page of
6 the transcript is that?

7 MR. BYSTROM: That was -- sorry, that was page 2,712 of
8 transcript Volume 14, beginning at line 26.

9 COMMISSIONER LOCKHART: Thank you.

10 MR. BYSTROM: Thank you, Ms. Hanlon.

11 THE CHAIRPERSON: Thank you, Mr. Bystrom.

12 Ms. Gjoshe, good morning.

13 MS. GJOSHE: Q Good morning, Mr. Chair, members of the
14 Commission panel.

15 **CROSS-EXAMINATION BY MS. GJOSHE:**

16 MS. GJOSHE: Q Good morning members of BC Hydro panel
17 number five.

18 Mr. Chair, I hope everybody's feeling a
19 little bit better today, this being the last stretch,
20 so to speak, for now.

21 **Proceeding Time 9:08 a.m. T2**

22 THE CHAIRPERSON: And the sun is even out, so we're
23 feeling very good, thank you.

24 MS. GJOSHE: Q I would like to -- before I do that,
25 just as a general comment, I am going to focus more on
26 some of the higher level aspects of the DSM side of

1 the organizational undertaking, so for now I am not
2 going to delve into a lot of those numbers that you
3 keep at the front of your minds, as it concerns
4 specific programs or projects or any statistics, as
5 the case may be.

6 So, I'd like to take you first to Exhibit
7 B-5, and there is an information request there, Gjoshe
8 1.8.2. You may not need to go there because I will
9 take a few snippets from that and I will read it out
10 for you. This is the question in that information
11 request,

12 "In BC Hydro's view, could the integrated
13 planning process described in figure 6-1..."
14 Which was a figure that was included in the initial
15 application,

16 "...including the peer review process of the
17 capital planning working group, benefit from
18 inclusion of conservation and energy management
19 functions in the integrated planning activities.
20 Why or why not, and if yes, please explain in
21 what ways?"

22 So I will take you now to the first
23 paragraph of the answer to that response, and I will
24 read it out. It says,

25 "BC Hydro does not believe the peer review
26 process is the appropriate venue for

1 consideration of the conservation and energy
2 management functions."

3 So, Mr. Hobson, perhaps I can start with
4 you. I suppose then that you are not one of the peers
5 that are included in the peer review process of the BC
6 Hydro asset planning process, is that correct?

7 MR. HOBSON: A No, we wouldn't be directly involved. I
8 think that is already established here.

9 MS. GJOSHE: Q Thank you for that. So then from what I
10 understand from that first paragraph in the answer to
11 the information request, it says the purpose of the
12 peer review process as described in that answer is to
13 consider the overall summary of each asset portfolio.
14 So then fair to say that when you put together your
15 DSM portfolio, this is not one of those portfolios
16 that are reviewed by other corporate peers as part of
17 this process?

18 MR. HOBSON: A Sorry, you'll have to ask me that again?
19 What's the question?

20 MS. GJOSHE: Q Of course. So it is fair to say then
21 that as you go about preparing your DSM portfolios,
22 this portfolio then, it's not one of those portfolios
23 that are reviewed by other corporate peers as part of
24 the process?

25 MR. HOBSON: A No, what I would describe currently is
26 our demand side management plans are integrated as

1 part of the overall integrated resource plan, it's
2 contained within the load forecast. And as it is
3 contained within the load forecast, that load forecast
4 is the basis for the planning work that then trickles
5 through the organization.

6 **Proceeding Time 9:12 a.m. T3**

7 The added pieces that I think we've
8 referred to a few times around the non-wires
9 alternatives are things where we could be getting
10 further into things like substations and feeder level
11 as we advance on items around capacity focused DSM
12 that could be used in the future to enhance or add to
13 what I think is already reduced off the load forecast.

14 MS. GJOSHE: Q Yes. And based on that response then I
15 gather is it fair to say or to summarize that once
16 your side of the organization has developed a DSM
17 portfolio, there is little opportunity for the other
18 corporate peers to chip away at it, so to speak. Is
19 that a fair summary of what you just said?

20 MR. HOBSON: A I'm not sure what that means.

21 MS. GJOSHE: Q I'll leave it at that. I will take you
22 know to the second paragraph of the answer to that
23 information request and I'll read out to you that
24 second paragraph. It's the same information request
25 included in Exhibit B-6, information request Gjoshe
26 1.8.2. So the second paragraph suggests,

1 "However the conservation and energy management
2 functions are considered early in the planning
3 process through their influence on the
4 integrated resources plan as discussed in BC
5 Hydro's response to another Gjoshe IR..."

6 So the question for you is can you tell me
7 when was the last time that BC Hydro filed an
8 integrated resource plan with the Commission?

9 MR. HOBSON: A Well, I think that's probably a little
10 bit misleading in terms of the integrated resource
11 plan itself, because I think we all know that the
12 integrated resource plan is fairly dated, but I think
13 a more relevant piece also refers to the demand side
14 management that's actually included in the load
15 forecast and that would be a key piece in terms of how
16 it flows through and is influencing what's being
17 considered further in the planning process within the
18 supply side options within the business.

19 MS. GJOSHE: Q So is it fair to say that as it concerns
20 your integration with the rest of the organization,
21 your submission and your exchanges with the rest of
22 the organization are limited to your input of the DSM
23 forecast into the load forecasting processes of the
24 integrated planning or the planning cycles of the
25 organization?

26 MR. HOBSON: A No, I don't think that's what I've said.

1 I mean I think in terms of how our overall demand side
2 management plan flows through the information that's
3 being used within the organization, the load forecast
4 is a key piece of information. In a similar sense,
5 the load forecast without DSM would be a key input for
6 them to be considering as they're making their plans.
7 But we do have a lot of communication. Mr. Kumar and
8 myself work closely together, we're working in
9 partnership on things like the non-wires alternative
10 framework. And I think there's a lot of connections
11 between our group and other parts of the organization,
12 whether it's with the energy planning group, the load
13 forecast group, as such.

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

15 MS. GJOSHE: Q I appreciate that. I appreciate that.
16 The question for you is can you tell me when was the
17 last time that an integrated resource plan was filed
18 with the Commission?

19 MR. HOBSON: A Well, the last integrated resource plan,
20 I'm not even sure we called it an integrated resource
21 plan at that time, but I think I was part of that
22 hearing, it was a long-term acquisition plan, and it
23 was back in 2008. There has been an integrated
24 resource plan since that time, but a plan that wasn't
25 filed with the Commission.

26 MS. GJOSHE: Q I appreciate that. So then the question

1 is, during periods of such long latency as it concerns
2 integrated resource plans, how do conservation and
3 energy management functions reflect themselves in the
4 overall planning process for the company, aside from
5 that component that you integrate into the load
6 forecasting process?

7 MR. HOBSON: A Well, I think at the end of the day
8 that's still a key piece, because I think it's the
9 basis for the information that they are going to be
10 looking at as they are making decisions in terms of
11 what requirements they have within the system. So, I
12 think with or without an integrated resource plan, I
13 think those are still key pieces of foundational
14 information that they need to make decisions within
15 their planning process.

16 MS. GJOSHE: Q Thank you for that. I can appreciate
17 that. Then is that in your assessment of the business
18 needs of your group then, is it the state of the
19 organizational structure as it concerns the peer
20 review process, you are happy with that?

21 MR. HOBSON: A Sorry, what was your question?

22 MS. GJOSHE: Q Yes. So insofar as the business needs
23 of your part of the organization, which is that demand
24 side management -- and when I say demand side
25 management, I am going to refer to that definition
26 that Mr. Andrews used yesterday in your cross-

1 examination, which is the broader side of the
2 organization, that includes all programs, projects,
3 initiatives as the case may be. So, is that then in
4 your assessment of the needs of your group as it
5 concerns the needs for you to interact with the other
6 parts of the organizations during this period of long
7 latency as it concerns the integrated resource plan.
8 Are you happy with that organizational structure as it
9 is?

10 MR. HOBSON: A Yes, I think we are quite happy with the
11 organizational structure. I mean, I think this has
12 been canvassed quite a bit through the proceeding, and
13 I followed a little bit of that, and I guess maybe one
14 thing that might be helpful, and I always think of it
15 this way is whenever you are looking at organizational
16 structure, it's always a matter of trade-offs in terms
17 of how you assemble things. And I think that has been
18 considered over time with our group in terms of some
19 of those trade-offs, and I think we are in a good
20 place. I think we've got good relationships with
21 different parts of the organization, and I think we
22 are structured in a way that emphasizes some of the
23 synergies that we leverage in our regular operations,
24 and in other places we have relationships and
25 processes to deal with things.

26 MS. HANLON: A And maybe if I can just add to that too.

1 My group deals quite frequently with the integrated
2 planning group, and I can say -- and I think what
3 we're saying which is the opposite to suggest that
4 there is long gaps and how we integrate with, or
5 interact with the integrated planning group. There is
6 all sorts of planning exercises that go on outside of
7 the integrated resources plan. There is all sorts of
8 ongoing discussions, and we interact with them on a
9 very frequent basis. It's not just limited to the IRP
10 periods.

11 MS. GJOSHE: Q Fair, and I'll leave it at that. Is it
12 your assessment then, and testimony that you are happy
13 that that particular structure addresses the business
14 needs of your side of the organization?

15 MR. HOBSON: A Yes.

16 MS. GJOSHE: Q Thank you. I will take us now to, if I
17 may, to some snippets of a conversation that I had
18 with panel 2 members, BC Hydro Panel 2 members. And
19 those questions and answers are captured in transcript
20 Volume 8A, and I will have summaries for a lot of
21 those snippets, so you may need to go there or not.

22 **Proceeding Time 9:19 a.m. T5**

23 The transcript number is Volume 8A and they start on
24 page 1115. And the exchange I had there -- I'll
25 probably give you a moment to get to that or -- yeah.

26 THE CHAIRPERSON: Sorry, what page?

1 MS. GJOSHE: Yes, so the Volume is 8A, out of the
2 transcript is 8A and the page is 1115.

3 THE CHAIRPERSON: Thank you.

4 MS. GJOSHE: Q And the exchange I had was with Mr.
5 Wong, who is BC Hydro's Chief Financial Officer, and
6 it concerned benchmarking in general, BC Hydro
7 benchmarking activities. And I say, what we're trying
8 to gauge is how difficult it is sometimes to choose
9 who your peers are in that benchmarking exercise
10 because the utilities that provide service in their
11 respective jurisdictions often have different
12 geographical footprints, different ages as it concerns
13 their assets, different operations at times and things
14 like that. And I asked, I posed a question to Mr.
15 Wong, starting on line 22 of page 1115. And the
16 question revolved around, if I were to compare the
17 size of certain spending here in B.C., what can I use
18 as a benchmark? Can I use, say, as a proxy for
19 comparison purposes, sustainment expenditures? Let's
20 say, the size of the sustainment expenditures of an
21 organization, would that be a good basis for a
22 comparison? And so then Mr. Wong, on lines 11 to 13
23 of page 1116 of that transcript. And so Mr. Wong, on
24 lines 11 to 13 on page 1116 of transcript 8A agrees
25 that this would probably be a good basis for a
26 comparison.

1 MR. HOBSON: A Sorry, where are you drawing that
2 conclusion?

3 MS. GJOSHE: Q There is -- I'm just picking some
4 highlights, but on lines 11 to 13.

5 MR. HOBSON: A I was just looking for the part where he
6 agreed that it was a --

7 MS. HANLON: A I see a comment that is says he'll have
8 to go back and think about that.

9 MS. GJOSHE: Q Yes, there is a discussion there about
10 whether the age of the assets is probably whether it's
11 captured or no, and I think we ultimately agreed that
12 it's captured in the size of the sustainment
13 expenditures but that to some degree they reflect the
14 age of the assets as well.

15 MR. HOBSON: A I'm not sure, are you asking me that or
16 are you asking me what Mr. Wong said?

17 MS. GJOSHE: Q No, I'm trying to base the question to
18 you on that, that there was some agreement that that
19 probably could serve as a good basis of comparison.
20 I'm not asking you to confirm that, I'm just saying
21 that's what I take from that conversation.

22 And so in there on lines 14 to 16 of that
23 transcript on page 1116, I mention that I'll have a
24 few more questions that I will reserve for the DSM
25 panel, so here we are and I'll proceed with a
26 question.

1 MR. HOBSON: A Okay.

2 MS. GJOSHE: Q It's actually more of a request for
3 undertaking, if I may, and I will refer you to another
4 Gjoshe information request on Exhibit B-13, where I
5 had asked BC Hydro to provide annual sustainment
6 capital spending for the last 20 years or so using
7 forecast for years Fiscal 2019 to Fiscal '21 and there
8 is a table provided in there. And perhaps I'll give
9 you guys a little bit of -- do you have it or shall
10 I --

11 MS. HANLON: A We have it.

12 MR. HOBSON: A We may, is it 2.16.2?

13 MS. GJOSHE: Q Yeah, correct. So then the ask is, if I
14 may, could we expand that table to include both
15 operational and capital expenditures concerning the
16 sustainment? And could we also augment it to include
17 all of your DSM spending for all of those respective
18 years as it concerns all projects, programs,
19 operational expenditures, as well as savings in
20 gigawatt hours that have been either measured or
21 estimated arising therefore.

22 MR. HOBSON: A Sorry, I'm not totally following. So
23 you're looking for the expenditures for the same time
24 period as what's in the IR?

25 MS. GJOSHE: Q Yes.

26 MR. HOBSON: A Don't you have the information for that

1 piece?

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

3 MS. GJOSHE: Q I need both capital and operational
4 expenditure. The entire --

5 MR. HOBSON: A So it's the operat- --

6 MS. GJOSHE: Q The entire cost. The entire
7 organizational cost for those two parts of the -- in
8 the organization, the sustainment capital and
9 operational expenditures, and DSM capital and
10 operational expenditures and gigawatt hour savings.

11 MR. HOBSON: A Okay, so the piece that you're missing
12 is the operational expenditures?

13 MS. GJOSHE: Q For sustainment.

14 MR. HOBSON: A Yes.

15 MS. GJOSHE: Q The DSM.

16 MR. HOBSON: A Which is here. And the gigawatt hours
17 is what we're missing?

18 MS. GJOSHE: Q Are we referring to the same answer?
19 Because what I have in 216 -- Gjoshe, 2.16.1, is just
20 sustaining capital expenditures. Are we referring to
21 the same thing?

22 MR. HOBSON: A Yes. And so you're just needing the
23 operational expenditures, is what you're missing?

24 MS. GJOSHE: Q Yes. But also can you layer the DSM
25 information on that table?

26 MR. HOBSON: A So what's the additional DSM information

1 that you are lacking?

2 MS. GJOSHE: Q Projects. All of the spending

3 associated with the DSM side of your organization.

4 THE CHAIRPERSON: So isn't that in 2.16.2?

5 MR. HOBSON: A I think that's already here.

6 THE CHAIRPERSON: 2.16.2 has DSM programs.

7 MS. GJOSHE: Q Okay. I don't have it in front of me,

8 but perhaps can you confirm what that includes? I

9 don't have that particular IR in front of me.

10 THE CHAIRPERSON: Okay.

11 MS. GJOSHE: Q Could you confirm what that includes?

12 MR. HOBSON: A Total --

13 MS. GJOSHE: Q Is that just capital? Is that just

14 capital? Does that include operational? Your

15 staffing requirements?

16 Yes, so maybe perhaps then I can ask a

17 question of clarification. What do you mean by

18 "program" there in that particular column?

19 MR. HOBSON: A I see.

20 MS. GJOSHE: Q Yes.

21 MR. HOBSON: A So I believe this column would represent

22 our deferred expenditures. So it would be our full

23 portfolio for demand side management.

24 MS. GJOSHE: Q Including operational expenditures

25 associated with the DSM side of the organization?

26 MR. HOBSON: A The operational is very small with

1 respect to DSM, so we could include that, but I don't
2 think it would be meaningful for your -- the exercise.
3 MS. GJOSHE: Q And going back -- yeah, and going back
4 to the discussion that you had yesterday with Mr.
5 Andrews is that nomenclature and words being used,
6 projects included in there are various different
7 initiatives included in there.
8 MR. HOBSON: A Yes. Yeah, it would all -- they would
9 all be included within the column that you already
10 have.
11 MS. GJOSHE: Q I see. Could you please include the
12 operational expenditures as well in there?
13 MS. HANLON: A For DSM?
14 MS. GJOSHE: Q Yes.
15 MR. HOBSON: A For 20 years?
16 MS. GJOSHE: Q Yes.
17 MR. BYSTROM: The witnesses have already said that it's
18 not a meaningful amount, so in my respectful
19 submission it's not necessarily to take an undertaking
20 to provide that information.
21 MS. GJOSHE: Q Well, I understand that there is some
22 work involved in answering some of the undertakings
23 and in the past I think I've been fairly flexible in
24 light of the workloads of BC Hydro in not requesting
25 certain undertakings. But would that be possible to
26 provide as well?

1 THE CHAIRPERSON: So just to be clear, when you say
2 "not meaningful", you mean not material, not in a
3 quantitative way, is that correct? Is not --

4 MS. HANLON: A Yes.

5 MR. HOBSON: A Well, I guess I was looking at it -- so
6 as an example for this year, our operating costs would
7 be in the neighbourhood of about a half a million
8 dollars. So it's quite a small amount relative to I
9 think if you're trying to put out any trends, which
10 I'm assuming is the intent here.

11 THE CHAIRPERSON: I think -- you know, Ms. Gjoshe, I
12 think they're saying that these -- I'm just looking at
13 these columns, they're in the tens and hundreds of
14 millions and I think the testimony we're getting is
15 that these are literally rounding errors.

16 MS. HANLON: A Yeah.

17 MS. GJOSHE: Q I appreciate that, yes. And so, then
18 just to confirm the definition of that word "program"
19 there, does it include -- is it all inclusive of all
20 the --

21 MR. HOBSON: A It's our portfolio.

22 MS. GJOSHE: Q Okay. All inclusive.

23 MR. HOBSON: A All inclusive. The dollars that we
24 would be spending to achieve the savings.

25 MS. GJOSHE: Q Okay. Thank you very much for that. So
26 I'll leave it at that, but the undertaking, we're

1 still -- you still agree to provide that undertaking
2 with operational sustainment expenditures as well?

3 MR. HOBSON: A So I think we need to be clear, because
4 we're getting well outside of our area in terms of
5 what I'm agreeing or not agreeing to. So it's
6 operating expenditures that would align with the
7 sustaining capital expenditures, for that side of the
8 business?

9 MS. GJOSHE: Q Yes.

10 MS. HANLON: A I'm not sure that we know how much work
11 would be involved with pulling that together.

12 THE CHAIRPERSON: I'm not sure I understand exactly
13 what you're asking for either.

14 MS. GJOSHE: Q Yes.

15 THE CHAIRPERSON: You're asking for operating costs
16 that are associated with implementing the sustaining
17 capital? Is that --

18 MS. GJOSHE: Q So there is costs to the organization
19 associated with capital and operational expenditure on
20 the sustainment side of the business. And there is
21 costs to the organization associated with capital and
22 operational expenditures on the DSM side of the
23 business and I just wanted a complete picture if that
24 is possible.

25 **Proceeding Time 9:28 a.m. T7**

26 THE CHAIRPERSON: Mr. Bystrom?

1 MR. BYSTROM: I still don't quite understand what's
2 being asked. It doesn't sound coherent to me. And I
3 don't think there is any foundation for why this
4 information is needed, especially going back 20 years.

5 THE CHAIRPERSON: Ms. Gjoshe?

6 MS. GJOSHE: Can I take them to a bit of a more line of
7 questioning, and then they see if they can probably
8 deem that to be --

9 THE CHAIRPERSON: That would be a good idea, thank you.

10 MS. GJOSHE: Q Yes, okay, so I will take us now to
11 another transcript, transcript 11. And there are
12 parts of it that cover the cross-examination of AMPC's
13 witness panel. And I will take us to page 2033 of
14 that transcript. So transcript 11, page 2033. And
15 there was a bit of a discussion there as to what could
16 possibly be a few of the utilities that are thought of
17 as peers to BC Hydro. And on page 2033 lines 14 to
18 20, it is,

19 "...generally understood to be a series of
20 jurisdictions in Canada that are pretty similar,
21 Manitoba, Quebec and B.C. being the traditional
22 ones, that have a large hydro. That have the
23 resources to build that way, that have Crown
24 owned utilities that dominate the sector. So
25 they're, you know, typically thought of as
26 peers."

1 And this was AMPC's testimony.

2 And if we were to go with that, and where I
3 am going with this is I am trying mostly concerned
4 with assessing just the overall global size of the DSM
5 side of the BC Hydro organizations, as compared to
6 these other utilities that are thought of as peers of
7 BC Hydro. And in that context, would you be able to
8 provide some benchmarking for the last 10 years, or
9 20, or whatever you think is deemed possible?

10 MR. HOBSON: A For the intent of trying to understand
11 the size of the funding envelope for demand side
12 management? I mean there may be some things that we
13 should point out. I mean, there is some available
14 benchmarking that is already in place, Efficiency
15 Canada has a scorecard that has come out recently.
16 I've been involved in benchmarking as part of the
17 Consortium for Energy Efficiency. I sit on the board
18 of that organization, and I was the chair of a
19 committee on benchmarking for several years. And so
20 there is some caveats I think you need to take into
21 account, and it may not apply for some of the things
22 that you are looking at in other parts of the
23 business.

24 But the way that I would characterize it,
25 the way the demand side management industry as a whole
26 grew up, was in a little bit of an unstandardized way.

1 And so benchmarking with demand side management needs
2 to be taken with caution, and you need to really take
3 a look at the levels below the surface to make sure
4 you're understanding of the information you're
5 getting. And the danger you can run with it is I
6 think you can arrive at false conclusions. Where you
7 get comparisons that might make you feel good, but
8 they might be by coincidence. And likewise you can
9 have things where you don't look as well against other
10 organizations, but behind the surface, if you dig down
11 you find that actually you are maybe performing better
12 than they are.

13 So there is a lot of caveats that you will
14 find in these types of studies. There is studies that
15 are already existing and available. So, it might be
16 helpful to know in particular what you're after, but
17 if you are wanting us to go back and draw out a long
18 history of benchmarking data from Manitoba and Quebec,
19 then that's probably a fairly significant exercise.
20 If we are looking to leverage something like the
21 efficiency scorecard that might be an easier way to do
22 that. I'm not concerned with the particular projects
23 or initiatives, mostly the global dollars spent --

24 **Proceeding Time 9:32 a.m. T8**

25 MS. HANLON: A It still could be quite a --

26 MS. GJOSHE: Q -- as compared to the sustainment spend

1 of each three of the organizations. So you have
2 sustainment spend and then you have DSM spend, would
3 that tell you something? And if you were to try and
4 dig a little bit down, isn't that where you'd want to
5 start?

6 MR. HOBSON: A Yeah, okay. So if I used as an example
7 an organization like Manitoba Hydro who's gone through
8 a significant shift in terms of the political
9 environment and the regulatory construct of what
10 they're doing demand side management, those are the
11 types of things that you'd need to be taking into
12 account when you take a look at the level of spend.
13 So I think just on the surface I'm not sure it's going
14 to give you the information that you're after and
15 especially if you're trying to use that and then
16 compare it to whatever they might have with sustaining
17 capital.

18 MS. GJOSHE: Q But aren't they your peers? Wouldn't
19 that benchmarking tell you something as to what peers
20 that are similarly situating are doing about this
21 particular side of the industry?

22 MS. HANLON: A I might just reiterate our response to
23 Gjoshe IR 2.16.2, where we've said there that we don't
24 feel that there's meaningful comparisons comparing
25 sustaining capital expenditures and DSM expenditures.
26 The drivers are very different. From what we

1 understand, sustaining capital expenditures key
2 drivers there are asset health and reliability
3 purposes. DMS expenditures have often been related to
4 need, and so the drivers are quite different and I'm
5 not sure if there's a meaningful benchmark there.

6 MS. GJOSHE: Q Oh, I absolutely agree with you but I'm
7 not interested in the drivers that drive the two
8 different portfolios, I'm interested as to how they
9 compare. For example, is your DSM portfolio, what
10 percentage of your sustainment capital spending that
11 is and how comparative priorities given with those
12 peers of those two portfolios in comparison with BC
13 Hydro.

14 MS. HANLON: A I'm not sure that we've -- the benchmark
15 or the relationship that you're suggesting, I'm not
16 aware that this is something that's common or used in
17 the industry at all. It's not a metric that I think
18 we would look to to understand whether our DSM
19 expenditures are appropriate.

20 MS. GJOSHE: Q But they would be speaking individually
21 and separately to the priorities given to both sides
22 of the capital expenditure and operational expenditure
23 side of those organizations.

24 THE CHAIRPERSON: Ms. Gjoshe, I think we've heard that
25 there's no -- the panel is saying there's no
26 correlation between sustainment capital expenditures

1 and DSM expenditures. You've heard them say that,
2 correct?

3 MS. GJOSHE: I've heard the panel say that the drivers
4 for the two portfolios are different.

5 THE CHAIRPERSON: Correct, so --

6 MS. GJOSHE: Whether one wants to compare them, I
7 believe, that may be a different matter.

8 THE CHAIRPERSON: So you want to compare two different
9 things. You want to compare BC Hydro's sustainment
10 capital expenditures with the sustainment capital
11 expenditures of other utilities in its peer group.

12 MS. GJOSHE: Yes, and it's only two of them.

13 THE CHAIRPERSON: And in addition you want to explore
14 BC Hydro's DSM expenditures against the DSM
15 expenditures, is that correct?

16 MS. GJOSHE: Fair enough, yeah.

17 THE CHAIRPERSON: And did you ask those questions of
18 the capital panel then, about the comparison of
19 sustainment expenditures with -- we had a discussion
20 about the peer group benchmarking studies and I'm
21 sorry, I simply don't recall whether that issue of
22 sustainment capital came up.

23 MS. GJOSHE: Yeah, I don't remember asking the capital
24 panel, but here is an opportunity to ask the DSM
25 panel.

26 THE CHAIRPERSON: Okay, so as I see it, Mr. Bystrom, we

1 MR. HOBSON: A Yeah, and recently there is an
2 efficiency scorecard from Efficiency Canada that looks
3 at the different provinces.

4 THE CHAIRPERSON: Is that in evidence?

5 MR. HOBSON: A It is quite comprehensive. I don't
6 believe it is in evidence.

7 MS. HANLON: A No.

8 THE CHAIRPERSON: Could you possibly provide that
9 please, or a link to that, or a reference to that?

10 MR. HOBSON: A We could, yes.

11 THE CHAIRPERSON: Or any other government information
12 of that nature that may be useful to Ms. Gjoshe?

13 MR. HOBSON: A We could.

14 MS. HANLON: A Yes.

15 THE CHAIRPERSON: Is that all right, Mr. Bystrom?

16 MR. BYSTROM: Yes, that would be fine.

17 **INFORMATION REQUEST**

18 THE CHAIRPERSON: Thank you.

19 MS. GJOSHE: I am happy with that.

20 THE CHAIRPERSON: Okay, thank you, Ms. Gjoshe. My
21 concern about the sustainment capital is you would be
22 opening up an entire new line of investigation at this
23 point. Because if you got the numbers --

24 MS. GJOSHE: Yes, fair enough. I will be happy with --
25 yeah. I just have a few more questions then for the
26 panel.

1 MS. GJOSHE: Q So, at a high level about your DSM
2 demand side management undertakings, there were some
3 comments in your exchanges with Mr. Andrews yesterday.
4 I think they were Mr. Andrews' comments about how some
5 of this information is presented, whether in this
6 particular application or some others, that there is a
7 lot of pieces there, and some confusion about
8 terminology. But also some comments there generally
9 about how some of this information is conveyed.

10 Those comments pertain specifically to how
11 you might capture or convey this information,
12 including for programs, projects and the various
13 initiatives that you undertake. There are some things
14 not just in the utility industry, some visual
15 representations of information, typically spending or
16 savings as the case may be. I recall density maps and
17 some other areas there referred to by other maps. But
18 typically what it is, you lay over a geographical
19 footprint on a colour spectrum, information about say
20 your spending, DSM spending. Are you familiar with
21 them?

22 MR. HOBSON: A I think I follow the concept of what you
23 are talking about. I'm not sure I'm overly familiar
24 with what you are speaking to though.

25 MS. GJOSHE: Q So then is it fair to say that you
26 haven't used them in displaying information of your

1 DSM programs?

2 MR. HOBSON: A In our reporting? No.

3 MS. GJOSHE: Q In your reporting. Okay, thank you for
4 that.

5 If you were to explore something like that,
6 would it be something that would be helpful to you as
7 part of your business needs on your side of the
8 organization? Say visually, for example, we can
9 visualize you're painting a picture of the province,
10 and you were going to plot some of this expenditure
11 along the province?

12 MR. HOBSON: A And understanding geographically where
13 those expenditures are?

14 MS. GJOSHE: Q Geographically, yeah.

15 MR. HOBSON: A Well, it's interesting. I think the one
16 comment I would make, and I think it is consistent
17 with some of the discussion we had yesterday, I think
18 maybe at one point I talked a little bit if you fast-
19 forwarded ten years, and what this area might look
20 like. And I think it's going to offer more
21 opportunities to be focusing DSM on more geographical
22 areas, because not only will it be able to address
23 some of the issues from a system level, I think there
24 is going to be more opportunities to be a little bit
25 more precise around how you can pinpoint things to
26 alleviate more local constraints and add additional

1 value. And I think some of the technologies that we
2 are seeing and some of the approaches that I think are
3 going to emerge, are going to offer a little bit more
4 flexibility to do it that way.

5 So I could see something like what you are
6 talking about being more helpful down the road as we
7 start to --

8 MS. GJOSHE: Q And I appreciate that, yes. But if you
9 were to look, say, at the last 10 years, and I'm not
10 sure if in the course of your running that side of the
11 business you come across a load information. Is it
12 fair to say if I were to ask a question between
13 Vancouver Island, Lower Mainland and South Interior,
14 as BC Hydro defines those regions, do you have roughly
15 a number as to what the provincial load is represented
16 in those three regions?

17 MR. HOBSON: A Not off the top of my head, no.

18 MS. GJOSHE: Q You wouldn't. So is it fair to say that
19 would your DSM spending over the last say 10 years,
20 would it be proportionate with that load being served?

21 MR. HOBSON: A Yeah, it would vary, and so you could
22 take residential and probably commercial, and I'm
23 hazarding a little bit of an estimation with this, but
24 I think you could safely assume that that's going to
25 be proportionate to -- over time, it's going to be
26 proportionate to your load.

Proceeding Time 9:41 a.m. T10

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The one variation you're going to have is with industrial and it's just because of the nature of the loads and therefore the opportunities that you get with efficiency as a result of that can be a little bit more spotty. And you could have particular customers in one area that have load that don't have efficiency opportunities and a different situation in a different region.

And so I think your efficiency expenditures from an industrial standpoint would not necessarily follow.

MS. GJOSHE: Q That's okay. But fairly generically at a very high level directionally it would roughly be proportional, so to speak?

MR. HOBSON: A If you're asking me for --

MS. GJOSHE: Q For the overall, yeah.

MR. HOBSON: A -- just a very directional --

MS. GJOSHE: Q Yeah, very directional, yeah.

MR. HOBSON: A -- on the two sectors that I talked about, I would think over time that you find that it would likely follow.

MS. GJOSHE: Q Yes. And could that perhaps extend to the savings side as well? That we go at our savings, yeah.

MR. HOBSON: A I would expect that it would extend

1 yes.

2 MS. GJOSHE: Q Yeah. It would be aligned with that as
3 well. Yeah?

4 MR. HOBSON: A Yeah

5 MS. GJOSHE: Q Okay, thank you for that. And my last
6 line of questioning refers to -- actually I just
7 wanted to just get a feeling in general for your
8 portfolio and for the entire portfolio spending. When
9 you look at the present value benefits of DSM
10 spending, typically what time frame do you look at?

11 MR. HOBSON: A Sorry, can you repeat that?

12 MS. GJOSHE: Q Yes. So you have a various projects,
13 you have various programs, you have various
14 initiatives. As I heard your testimony yesterday I
15 believe that some of those you're also managing on
16 behalf of the government, and for those projects
17 you're kept whole.

18 Now in terms of just the horizon that you
19 look at through the various programs and projects of
20 the DSM spending for which you develop cost/benefit
21 analysis, what do you think is the range of the
22 horizon in those estimates? Do you look at, say --
23 you have a concept in there called persistence
24 somewhere.

25 MR. HOBSON: A Yes.

26 MS. GJOSHE: Q Could you elaborate a little bit on it?

1 MR. HOBSON: A So typically we would look -- I just
2 want to make sure what your question is because there
3 might have been a few in there.

4 MS. GJOSHE: Q Yes, well, there were two in there but
5 whichever one you'd like to address first.

6 MR. HOBSON: A Okay. Maybe I'll start with the term.
7 I think I understand what you're getting at. So we
8 can cut analysis depending on the nature of the plan
9 and we've seen that in this proceeding. We've have
10 some representations of net present values and
11 benefit/cost ratios that have been for a period of
12 time of ten years and we have had some that have been
13 for a period of time of two years We would typically
14 have an extended period off of those that we would
15 take a look at the flow of cost and benefits.

16 So if I have a two-year test period and
17 we're looking to contain the analysis to that period,
18 when we would take a look at discounting back any
19 future flows that emerge from that, we would extend
20 the period out typically for a 20- year period?

21 MS. HANLON: A Typically.

22 MR. HOBSON: A And discount. And that would provide
23 enough of a horizon that we would pick up the benefits
24 that would be meaningful to flow back. Now, that
25 doesn't mean that all of those expenditures would
26 generate benefits that would extend out that

1 timeframe, and it could have expenditures that have
2 benefits that go beyond it. But by the point we get
3 past 20 years, we are probably discounting them pretty
4 significantly anyways.

5 MS. GJOSHE: Q Okay, so that exercise that you
6 mentioned, let's say even if the benefits are mostly
7 realized in the next two years, then you would, for
8 purposes of the present value would stretch them out a
9 little longer. Is that it? Is that what you refer
10 to, stretching to 20 years or --

11 MS. HANLON: A No.

12 MR. HOBSON: A No, we would have an analysis window,
13 but to the extent that benefits and costs fit within
14 that window they would be discounted appropriately
15 back for the purpose of the analysis.

16 MS. GJOSHE: Q But say if you have a program that the
17 costs are expanded immediately and the benefit
18 stretched to two years, would your net present value
19 and analysis cover those two years or would it cover
20 20 years?

21 MR. HOBSON: A It would pick up the benefits that
22 would be within, say, the 20 years. But if the
23 benefit is only stretched out for two years, we're not
24 going to give it 20 years of benefit.

25 MS. GJOSHE: Q Okay.

26 MR. HOBSON: A You're only to get two years of

1 benefit.

2 MS. GJOSHE: Q And so if you -- roughly and direction
3 only the question is concerned with. If you were to
4 look then at your overall portfolios and project, so
5 the overall spending, would you have a -- just
6 roughly, it doesn't have to be exact, a mean or an
7 average or a weighted average term for some of these
8 things that you look at? What does it say? Term, in
9 terms of benefits, the period over which those
10 benefits are realized.

11 **Proceeding Time 9:46 a.m. T11**

12 MR. HOBSON: A Yeah, we've actually filed quite a bit
13 of information on this. I'm not sure if you're
14 familiar with it.

15 MS. GJOSHE: Q Well, it depends on which component of
16 the application you're referring to?

17 MR. HOBSON: A Well, Chapter 10 would be a starting
18 point, and then I think there's been some additional
19 IRs that have been asked that have canvassed it
20 further. But if you bear with me.

21 So in Chapter 10, starting in section
22 10.5.6, page 10-35, it starts a discussion of
23 persistence of energy impacts and provides a couple of
24 different views of average measure life. And so that
25 would be a starting point if you're interested in that
26 area.

1 MS. GJOSHE: Q If you were to look at your sort of
2 overall operations, do you think they stretch mostly
3 like closer to 5, closer to 10, closer to 15, closer
4 to 20 years?

5 MR. HOBSON: A Well, I think the information we put
6 forward here -- and it depends on what you're drawing
7 out, but if we look at our portfolio overall, you
8 would be with -- for the two year period you would be
9 15 years for DSM programs and low carbon
10 electrification.

11 MS. GJOSHE: Okay. Thank you for that. I believe
12 those are my questions.

13 THE CHAIRPERSON: Thank you, Ms. Gjoshe.

14 MS. GJOSHE: Thank you.

15 THE CHAIRPERSON: Ms. McLean. Ms. McLean, we'll try to
16 take a break around 11:00-ish if that's okay?

17 VOICE: 10:00?

18 THE CHAIRPERSON: Yes, and at 11:00 too.

19 MS. McLEAN: At 11:00?

20 THE CHAIRPERSON: Pardon me?

21 MS. McLEAN: You would like to take a break at 11:00,
22 did you say?

23 THE CHAIRPERSON: Well, I did say that, but I actually
24 meant to say 10:00.

25 MS. McLEAN: 10:00.

26 THE CHAIRPERSON: Thank you, yes.

1 MS. McLEAN: I have a witness aid that I'd like to hand
2 up.

3 THE CHAIRPERSON: Thank you.

4 **CROSS-EXAMINATION BY Ms. McLEAN:**

5 MS. McLEAN: Q Mr. Chair, panel, and witness panel, my
6 name is Jana McLean and I am counsel for the Zone II
7 Ratepayers Group, which consists of the Kwadacha
8 Nation and Tsay Keh Dene Nation. Most of my -- or all
9 of my questions really today are focusing on DSM in
10 the NIA.

11 Now, BC Hydro's application before the
12 Commission includes a new residential and commercial
13 DMS program for the NIA.

14 MS. HANLON: A That's correct, yes.

15 MS. McLEAN: Q And my understanding is that was perhaps
16 inspired by Commission's comments in the RRA for
17 Fiscal 2017 to '19, where BC Hydro was asked to
18 address DSM concerns of NIA interveners in that
19 proceeding.

20 MS. HANLON: A I think in part. I think it was partly
21 driven by the policy mandate around affordability and
22 it was also an outcome of our pilot initiatives that
23 we had piloted previous to that too as well.

24 MS. McLEAN: Q And with respect to that NIA DSM
25 program, I want to just confirm Hydro's understanding
26 of the term NIA as it's used there, because we've seen

1 it used in two different ways in the application. So
2 is it correct that when you're talking about the new
3 NIA DSM program, you're referring to the 14
4 communities in Zones IB, and II?

5 MS. HANLON: A That's my understanding, yes.

6 MS. McLEAN: Q Okay. And because elsewhere in the
7 application included in NIA we've also seen reference
8 to the purchase areas in the South Interior and in the
9 North Rockies regional municipality. So that, those
10 areas are not included in the new NIA DSM program?

11 MR. HOBSON: A You know what? I'm not familiar enough
12 with those particular areas that you've noted, so I'm
13 not sure I could comment further.

14 MS. McLEAN: Q Okay. Maybe we'll ask that -- we'll
15 leave that with you to undertake to advise us as to
16 whether or not the new NIA DSM program includes those
17 areas as well.

18 **INFORMATION REQUEST**

19 MR. HOBSON: A Yes.

20 MS. McLEAN: Q Okay, thank you. And I also wanted to
21 confirm that the new NIA DSM program is focused on
22 residential and commercial users?

23 MS. HANLON: A Yes, that's correct.

24 MS. McLEAN: Q Okay. And is it your understanding that
25 there is little to no industry users in the NIA?

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

1 MS. HANLON: A I think that's my understanding. I
2 suppose if there was industrial opportunities we'd
3 certainly be open to listening or hearing more about
4 them, but our understanding is really that the need or
5 the load is really around residential and commercial.

6 MS. McLEAN: Q And I will be referring to the witness
7 aid shortly. In Zone II's IR 1.26.9.1, we asked how
8 BC Hydro planned to deal with the known challenges of
9 implementing the new NIA DSM program. And at the
10 bottom of -- if you could just turn to the second page
11 you'll see the bold response at the bottom there. And
12 at the very last paragraph on that second page Hydro's
13 response included a statement that ramping up
14 participation levels and achieving expected savings
15 will be a challenge. And then the answer goes on to
16 address how Hydro intends to address those challenges
17 and I just wanted to go over those bullets on the
18 following page with you in a bit more detail.

19 So in the first bullet there's a reference
20 to minimizing BC Hydro's program requirements where
21 possible, so can you advise as to how BC Hydro intends
22 to minimize program requirements where possible?

23 MS. HANLON: A I think what we're trying to convey
24 there is that we want to try to make it as easy as
25 possible for the communities to participate in the
26 programs. And so, maybe just to reiterate, it's a new

1 program and I know there's lots of discussions that's
2 happing with our NIA program manager and with the
3 communities that are interested in participating in
4 the program on how we can best do that.

5 MS. McLEAN: Q Okay, and so there's a balance, of
6 course, between minimizing program requirements and
7 providing quality service?

8 MS. HANLON: A Sure. I think my read of this is really
9 wanting to make it easy for communities to
10 participate. It's not trying to lower the quality of
11 the program.

12 MS. McLEAN: Q Okay, and if I could ask you to look to
13 the second bullet then, it references designing the
14 program to enable Indigenous communities to lead
15 implementation. So how does the program design
16 achieve that goal?

17 MS. HANLON: A So the program is designed around
18 instilling energy steward positions in the community
19 and there's also a rebate model, which allows the
20 communities to organize and undertake the home energy
21 upgrades by themselves and so that's sort of the model
22 that the program is designed around.

23 MS. McLEAN: Q Okay, and the third bullet speaks to
24 continuing to utilize channels -- pardon me,
25 communication channels in the NIA communities that
26 were established during the pilot initiative. So what

1 are those communication channels that you're referring
2 to?

3 MS. HANLON: A I think these are sort of ongoing
4 communications that we would have with the
5 communities. I think it's just the ongoing dialogue
6 that we would have with the community in those
7 situations.

8 MS. McLEAN: Q So essentially the potentially informal
9 connections you have with any given community on the
10 issue of DSM?

11 MS. HANLON: A Yes, and also working with a broader
12 group of people at Hydro, so the Indigenous relations
13 group and utilizing their communication channels as
14 well where appropriate.

15 MS. McLEAN: Q Fourth bullet talks about using proven
16 technologies and processes. So what technologies and
17 processes are being referred to there?

18 MS. HANLON: A So many of the energy savings
19 opportunities that are offered in the -- not all, but
20 many of the energy saving measures that are offered in
21 the NIA program are based off offers that we would
22 have available in other programs, like say the low
23 income program or the home renovation rebate. So we'd
24 be looking at similar energy saving measures there
25 that we've used in the past. So lighting, insulation,
26 et cetera, et cetera.

1 There are some additional measures that
2 we've added for the NIA program too, to try to respond
3 to the unique needs of NIA communities.

4 MS. McLEAN: Q Okay, and that same bullet talks about
5 technologies and processes that have been analyzed for
6 savings potential. So how do the examples that you've
7 just provided connect to savings potential?

8 MS. HANLON: A So how do lighting and insulation
9 connect to savings potential?

10 MS. McLEAN: Q I take it -- I mean, perhaps you can
11 explain what the reference to saving potential means
12 there, first of all.

13 MR. HOBSON: A I think it's just getting across the
14 idea that there's some proven technologies that we've
15 had experience through other programs or other means
16 that do have the potential to save energy and we have
17 more of an understanding around how they save energy
18 and what energy they save.

19 MS. McLEAN: Q Okay, so we're talking about energy
20 savings, not cost savings?

21 MS. HANLON: A Yes.

22 MR. HOBSON: A We would be talking about energy savings
23 but we would hope the energy savings have a related
24 cost savings, yes.

25 MS. McLEAN: Q Okay, thank you. Okay, and if I could
26 move on then --

1 MR. HOBSON: A Actually, I should add to that though.

2 MS. McLEAN: Q Please.

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

4 MR. HOBSON: A I mean, I think sometimes it's difficult
5 to quantify in some cases, but sometimes the
6 technologies we put in place, they have energy savings
7 benefits that are easy to monetize, but they also have
8 other benefits for customers and communities. And so
9 there is savings potentials in other ways, but they
10 may not always be monetized potentials.

11 MS. McLEAN: Q Okay, I'm still on the same page, but
12 I'm moving further down the page. There is a
13 paragraph in the middle that talks about unique
14 logistical challenges in the NIA -- with the NIA
15 program?

16 MS. HANLON: A Yes.

17 MS. McLEAN: Q And then in BC Hydro's response you go
18 on to indicate how you plan to address those unique
19 logistical challenges. I'm interested actually in
20 your third bullet, so the very bottom of the page, you
21 indicate BC Hydro is working with other agencies to
22 combine funding in order to support Indigenous bands
23 leading home renovation projects. So what other
24 agencies are being referenced in that response?

25 MS. HANLON: A We have an IR on that, and if you can
26 allow me to turn to that, I think we've specified that

1 there. It's a number of other government agencies,
2 and if I can just find the response, I will --

3 Sorry, I thought I had that IR summarized.
4 I know we have it on record. If perhaps at the break
5 I could dig it out and I can --

6 MS. McLEAN: Q Certainly. That's great, and while
7 you're looking, I will add the other question to it,
8 which is really what funding has BC Hydro successfully
9 obtained in the test period? So there is this concept
10 of working with other agencies for combined funding.
11 What successes have you had in that area? So if
12 that's not in the IR you are referencing, so I will
13 leave it to you to --

14 MS. HANLON: A -- see what's in there.

15 MS. McLEAN: Q Certainly, thank you. In Zone II's IR
16 1.26.9.3 we asked about an implementation schedule for
17 the new NIA/DSM program, and a response was provided
18 in table 1 and that also appears on our witness aide
19 on the back of page 3. Are you at that table?

20 MS. HANLON: A Yes.

21 MS. McLEAN: Q Great, and I want to deal first with the
22 program offers for residential, which are at the top
23 of the table? The first section is residential. Do
24 you see that?

25 MS. HANLON: A Yes.

26 MS. McLEAN: Q Great. There are three items identified

1 there for implementation in the first quarter of
2 Fiscal 2020. And we are now in March of 2020, so we
3 are nearing the end of that first quarter.

4 MS. HANLON: A Yes.

5 MS. McLEAN: Q I'd like to just go through each of
6 them. So the first item there is free basic energy
7 savings measures available to all residential
8 customers. So can you provide us with an update on
9 the status of that particular initiative?

10 MS. HANLON: A Yeah, we are just wondering if you might
11 be mistaking calendar for fiscal? Because we are
12 really at the last quarter of Fiscal 2020.

13 MS. McLEAN: Q Fair point, thank you for that
14 correction, yes.

15 MS. HANLON: A Yes, and my understanding is, and maybe
16 I should take this as subject to check, but not to cut
17 you off, but my understanding is that all program
18 offers that are identified in table 1 have been
19 implemented or are available to market in the
20 communities.

21 MS. McLEAN: Q Okay. And so in fact when we are
22 talking about the NIA, the 14 communities, they have
23 been made available in all 14, is that right?

24 MS. HANLON: A All of the offers are in market, and so
25 communities can start accessing them.

26 THE CHAIRPERSON: All of those communities can?

1 MR. HOBSON: A Yes.

2 MS. HANLON: A I guess subject to the other ones that
3 we are going to go away and undertake to learn more
4 about, but yes, all 14.

5 MS. McLEAN: Q Okay, and then there is other items
6 listed there for commercial -- and sorry, under the
7 headings commercial and community support, and so does
8 BC Hydro expect to be implementing those programs in
9 the timeline provided in all of the NIA communities?

10 MS. HANLON: A Again, those -- my understanding is that
11 those are also have been implemented, and they are
12 available for offer. I think the commercial
13 opportunities really depend on the community, and what
14 is available there, but they've been implemented, and
15 they are in market right now.

16 MS. McLEAN: Q Okay, and I note the time, this would be
17 a suitable time for a break.

18 THE CHAIRPERSON: Great, thank you Ms. McLean. We will
19 come back at 10 past 10.

20 **(PROCEEDINGS ADJOURNED AT 10:00 A.M.)**

21 **(PROCEEDINGS RESUMED AT 10:15 A.M.)**

T14/15

22 THE CHAIRPERSON: Please be seated.

23 Sorry for the delay again. Please
24 continue, Ms. McLean.

25 MS. McLEAN: Thank you.

26 MS. McLEAN: Q And Ms. Hanlon, you were going to check

1 to see if you could identify the IR that you were
2 thinking of --

3 MS. HANLON: A Yes, yes.

4 MS. McLEAN: Q -- which spoke to I think joint funding
5 with agencies?

6 MS. HANLON: A Yes, correct. And I think you had asked
7 for a list of the agencies that were involved. The IR
8 that I was able to locate in the break perhaps just
9 describes it more rather than providing a specific
10 list, but we do participate in a working group of
11 federal, provincial, and regional agencies that's
12 convened by the Ministry of Energy, Mines and
13 Petroleum Resources on a quarterly basis. This is in
14 our IR response to Zone II Ratepayers Group 1.26.8.3.
15 So it doesn't provide the specific list of all the
16 agencies, but I can tell you that there are federal,
17 provincial agencies, ministries, that have an interest
18 in housing and energy and Indigenous communities.

19 MS. McLEAN: Q Is the working group the primary means
20 through which BC Hydro would engage in pursuing joint
21 funding opportunities?

22 MS. HANLON: A We also have our own low income advisory
23 council too, which we participate in as well. There's
24 a number of parties there that have similar interests
25 with the low income and Indigenous communities as
26 well, and so we would also work through that committee

1 too as well.

2 MS. McLEAN: Q The other part of my question was around
3 successes. So what joint funding has BC Hydro
4 successfully obtained during the test period?

5 MS. HANLON: A I'm not sure that the program was set up
6 to achieve joint funding, but how we've set up the
7 program is to enable Ingenious communities to take
8 funding from other agencies and combine it with our
9 energy savings incentives, rebates, et cetera, to
10 combine those to have more fulsome home energy
11 upgrades or home upgrades overall.

12 MS. McLEAN: Q And so I take it from your answer then
13 that that would be up to the individual community to
14 pursue? That wouldn't be a BC Hydro led initiative?

15 MS. HANLON: A I think we would work with the other
16 agencies through the mechanisms that I've identified
17 to have conversations about that. I do -- an example
18 might be, I believe it's in Zone II's evidence where
19 Kwadacha I believe indicated that they had been
20 successful in securing some money I think from the
21 federal government. And so the intent of our program
22 is to allow Indigenous communities to marry that money
23 from the federal government with our own rebates and
24 put those together to ensure more fulsome home
25 upgrades.

26 MS. McLEAN: Q And I think in your evidence already

1 MS. HANLON: A Yes, that's correct, yes.

2 MS. McLEAN: Q And in response to one of Zone II's IRs,
3 BC Hydro advised that the budget was based on program
4 design and participation estimates?

5 MS. HANLON: A Yes, that's correct.

6 MS. McLEAN: Q Okay, and how has the actual rate of
7 participation been to date, compared to the expected
8 rate of participation?

9 MS. HANLON: A I think we're finding that some of the
10 expected participation for Fiscal '20 will shift to
11 Fiscal '21. There has been -- some of the reception
12 has been a little bit slow, but that said, we do
13 expect that to be realized in Fiscal '21.

14 MS. McLEAN: Q And so participation is slower than
15 expected. Is BC Hydro taking any steps to improve
16 participation rates at this time?

17 MS. HANLON: A I think that we would just -- again, it
18 is a new program, and we want to continue to engage
19 with communities and get feedback on how to increase
20 the participation estimates, and so we are very
21 interested in working with communities on how we can
22 increase participation.

23 MR. HOBSON: A I think the indications we have been
24 getting too is it is on the right track, it's just has
25 been slower to work through the communities, and one
26 of the differences with a program like this, it's very

1 different from running some of our programs that are
2 offered province wide, where we're working back
3 through the various trade allies, retailers, things
4 like that to implement and get out the door. And it's
5 a matter of getting an awareness built up with
6 participating customers to pull participation through
7 the program.

8 In this case, it's a lot about
9 relationships and working with the communities and
10 bringing the communities along as part of that
11 participation. And that building of that is taking a
12 little bit longer through this period, but the
13 indications we've had is I think we are on track with
14 that. So, as Ms. Hanlon has indicated, I think we're
15 in good shape heading into Fiscal '21.

16 MS. McLEAN: Q And I apologize if this is already on
17 the record, but do you have specific individuals then
18 within BC Hydro that are charged with liaising with
19 the 14 communities on this new NIA DSM program?

20 MS. HANLON: A We have a program manager and a
21 relationship lead if that is what you are referring
22 to. But yes, there is a dedicated program manager,
23 and also a relationship lead too as well.

24 MS. McLEAN: Q And so those two individuals in those
25 positions would have the responsibility of the
26 communications that you've just given evidence about?

1 MS. HANLON: A Yes, I think so. We would also work
2 with our Indigenous relations group 2 as well, but in
3 terms of the DSM infrastructure, those would be the
4 two key people.

5 THE CHAIRPERSON: Excuse me, are those two people that
6 you just named, what office do they work out of?

7 MS. HANLON: A They work out of Dunsmuir, so they work
8 in the Conservation and Energy Management group, and
9 they work in Dunsmuir.

10 THE CHAIRPERSON: So they don't actually -- there is no
11 physical or direct contact then? Or very little?

12 MS. HANLON: A Oh, I'm not sure if that's the case.

13 MR. HOBSON: A They travel.

14 THE CHAIRPERSON: They do travel?

15 MS. HANLON: A They travel quite a bit, yeah.

16 THE CHAIRPERSON: Okay, thanks.

17 MS. McLEAN: Q And do they report on their successes or
18 their efforts with engagement periodically?

19 MR. HOBSON: A They would report very similar to any of
20 our other programs. So we would be managing and
21 monitoring it very similar to any of the other
22 programs we would be offering.

23 MS. HANLON: A Mm-hmm.

24 **Proceeding Time 10:24 a.m. T17**

25 MS. McLEAN: Q Now, the budget again is 1.2 million for
26 2020 and 1.4 for 2021. What if participation exceeds

1 expectations during the test period? Will BC Hydro
2 continue to fund the effort?

3 MR. HOBSON: A It's always a bit of a hypothetical with
4 this and we've had some IRs on this as well. So part
5 of offering a portfolio program is we try and manage
6 within that portfolio, and so decisions that we would
7 make on individual programs sometimes are dependent
8 upon what's happening with that individual program but
9 also what's happening with our other programs
10 throughout the portfolio as well.

11 MS. McLEAN: Q So maybe?

12 MR. HOBSON: A So maybe.

13 MS. McLEAN: Q Now, if I could ask you to turn to the
14 4th page, and I apologize they aren't numbered, but the
15 4th page in the witness aid and you should see table
16 10-5?

17 MS. HANLON: A Yes, we have it. Yes.

18 MS. McLEAN: Q Okay, and that appears as part of
19 Chapter 10 of the application. Table 10-5 shows a
20 comparison of the cost effectiveness of DSM in the
21 integrated area and in the NIA.

22 MS. HANLON: A Yes.

23 MS. McLEAN: Q And it does so, and this is me partly
24 getting my own head around this table and what you're
25 trying to achieve with it, but it does so in two ways.
26 It uses a net levelized cost analysis and then also it

1 uses a benefit/cost ration analysis.

2 MS. HANLON: A Correct.

3 MS. McLEAN: Q Okay, and levelized cost of energy is
4 defined as dollar per megawatt hour of energy saved?

5 MS. HANLON: A Yes.

6 MS. McLEAN: Q And for levelized cost, simply put,
7 lower numbers are better. If you have lower numbers
8 it would suggest that the program is more cost
9 effective?

10 MS. HANLON: A Yes, that's correct.

11 MS. McLEAN: Q Okay, and in contrast with the
12 benefit/cost ratio I think the application states that
13 a number that is higher than 1 suggests the DSM
14 program is cost effective?

15 MS. HANLON: A Correct, yes.

16 MS. McLEAN: Q Now, the table that you have in front of
17 you actually was updated in BC Hydro's response to the
18 BCUC IR 1.185.2. And based on that response, I think
19 it's just worthwhile noting it in this document, under
20 the net levelized cost for the NIA the total resource
21 cost is not 117, it's actually 159.

22 MS. HANLON: A Yes.

23 MS. McLEAN: Q And the number just next to that, the
24 benefit/cost ratio, is not 2.2, it's actually 1.9?
25 That's also --

26 MS. HANLON: A Yes, that's correct. Yes.

1 MS. McLEAN: Q Okay, and in fact if you turn the page
2 on the witness aid to table A-8, we see that 159
3 figure reflected in the table, so the updated figure,
4 and that would be under the column on the far right,
5 net levelized cost for the non-integrated areas, total
6 resource cost test, 159.

7 MS. HANLON: A Yes, correct, that's been updated in
8 that table.

9 MS. McLEAN: Q Okay, and similarly the net levelized
10 cost under utility costs is the number next to it,
11 175, that also appears in table 10-5?

12 MR. HOBSON: A Yes, that's correct.

13 MS. McLEAN: Q And I'm going to be referring to both of
14 those tables for a period of time. So looking at
15 table 10-5, the cost/benefit ratio for the NIA is
16 lower than the integrated area but it is above 1, so
17 it is deemed cost effective by BC Hydro, correct?

18 MS. HANLON: A It is. I'm not sure if this is where
19 you're planning to go, there is a higher net levelized
20 cost but then we use a higher avoided cost based on
21 the proxy cost of diesel, and so that's part of what
22 contributes to making the benefit/cost ration cost
23 effective.

24 MS. McLEAN: Q Okay, now with reference to table A-8,
25 we just looked at the row that is titled non-
26 integrated areas. Now, first of all, that row, non-

1 integrated areas, appears under residential sector,
2 the residential sector heading?

3 MS. HANLON: A Yes.

4 MS. McLEAN: Q But it's my understanding that the NIA
5 would also include data with respect to commercial
6 use?

7 **Proceeding Time 10:28 a.m. T18**

8 MS. HANLON: A It is, and I think we may have
9 acknowledged, just on record, my memory is starting to
10 go on me a little bit, but we've done this out of
11 convenience. More of the funding is in the
12 residential sector and less so in the commercial
13 sector, and so for convenience we've combined the
14 program so we can report on it in totality and we've
15 reflected that under the residential sector.

16 MS. McLEAN: Q Okay. And if I'm -- you know, again,
17 I've been moving between table 10-5 and A-8. Although
18 there's a line item in A-8 for non-integrated areas,
19 there's not a comparable line item for the integrated
20 areas in Table A-8, correct?

21 MS. HANLON: A That's -- so you're looking for a line
22 item for the comparable cost of integrated programs,
23 is that correct?

24 MS. McLEAN: Q Well, you know, just to try to clear of
25 my question, so if you go back to Table 10-5.

26 MS. HANLON: A Yes.

1 MS. McLEAN: Q You have information there on the
2 integrated system, the net levelized cost for the
3 integrated system.

4 MS. HANLON: A Correct, yes.

5 MS. McLEAN: Q And the numbers that appear there are 11
6 for utility costs --

7 MS. HANLON: A yes.

8 MS. McLEAN: Q -- and minus 11 for total resource
9 costs.

10 MS. HANLON: A Yes.

11 MS. McLEAN: Q When I look at A-8, I don't see those
12 numbers.

13 MS. HANLON: A Right. Yes, I think we provided a
14 spreadsheet in response to one of our IRs to hopefully
15 allow you to get at that calculation. Whether that
16 was helpful, I'm not sure. I hope it was, but --

17 MS. McLEAN: Q I think what I saw was the suggestion
18 that we could manipulate an Excel document and at
19 least get a comparison that would rely solely on
20 integrated residential data. I think that was the
21 suggestion that I saw. And I partly ask because I'm
22 looking to compare apples to apples, and so what we
23 have in the NIA is a group of users that largely
24 consist of residential, as you've indicated, and some
25 commercial.

26 MS. HANLON: A Mm-hmm, mm-hmm.

1 MS. McLEAN: Q And then in the integrated area of
2 course we have a much more complex system with heavy
3 industrial users.

4 MS. HANLON: A Right.

5 MS. McLEAN: Q And if we're looking at the cost/benefit
6 analysis, but we're not comparing apples to apples, my
7 suggestion is is perhaps the cost, the benefit/cost
8 ratio would be improved or at least the comparative
9 benefit/cost ratio would be improved in the NIA if we
10 were doing apples to apples and not having the benefit
11 in the integrated area of industrial.

12 MR. HOBSON: A Sorry, the integrated area of
13 industrial?

14 MS. McLEAN: Q Right, of industrial users being part of
15 that, part of the data set.

16 MR. HOBSON: A Oh, I see.

17 MS. HANLON: A Oh, I see.

18 MR. HOBSON: A So you're -- if I'm trying to put
19 together where you're going with this, but --

20 MS. McLEAN: Q You don't need to put together where I'm
21 going. You're free to just answer the question.

22 MR. HOBSON: A Is it that you're looking for a
23 comparative of residential programs for the integrated
24 area?

25 MS. McLEAN: Q And I can continue to walk you through
26 kind of my more detailed questions and attempt to

1 build on this, but my sense is is that the analysis
2 used for net levelized cost in Table A-8, when you
3 look at the types of benefits, and there are four
4 columns there that deal with benefits, that those are
5 benefits that are really inspired by the integrated
6 area. That those, those make sense when you're
7 assessing the integrated area, they may make less
8 sense when you're assessing the NIA.

9 MS. HANLON: A I think we would generally agree with
10 that. I think the categories, most of them probably
11 still apply, but it, I think it was in our response to
12 Zone II IR 1.46.7, part of the discussion or the
13 participation of Zone II in the hearing process was it
14 actually made us realize, but I think we probably made
15 an error in that. Some of the ways that we had
16 calculated the benefits were based on the integrated
17 system and maybe not appropriate in all cases for --
18 or descriptive of the situation in a non-integrated
19 area. And so, I think that's something that we're
20 going to look at trying to remedy going forward.

21 MS. McLEAN: Q And I think it just -- it's an important
22 piece when we're assessing the value of DSM in the
23 NIA.

24 MS. HANLON: A Yeah.

25 MS. McLEAN: Q So I'm just trying to unpack it a little
26 bit more to make sure it's understood in this hearing

1 process.

2 MS. HANLON: A Yeah. And one of the big things that I
3 think that we would want to take on is we neglected to
4 apply the 40 percent low income adder that's
5 stipulated in the DSM regulation, and that would be
6 one element that we would want to look at to add to
7 the non-integrated program.

8 MS. McLEAN: Q And just to be clear on that, again, if
9 we're looking at Table A-8, just above "non-
10 integrated" we have "low income" as a category.

11 MS. HANLON: A Yes, correct.

12 MS. McLEAN: Q And my understanding on your evidence is
13 that BC Hydro applied the 40 percent adder as dictated
14 by the DSM regulation, which would improve the
15 performance of low income?

16 **Proceeding Time 10:33 a.m. T19**

17 MS. HANLON: A That's correct, yeah.

18 MS. McLEAN: Q And the BC Hydro has not applied it in
19 the NIA but has acknowledged having considered the
20 issue that it would be appropriate to at least apply
21 to some?

22 MS. HANLON: A Yeah, and it was just an oversight on
23 our part. Typically we don't go into sort of a -- the
24 NIA program was cost effective, and so I think we
25 probably didn't pick up on the neglecting to apply the
26 40 percent, but we agree that is something we should

1 look at applying in the future.

2 MS. McLEAN: Q And if it were applied in this test
3 period, it can be assumed it would improve the NIA's
4 performance in terms of assessing its cost
5 effectiveness?

6 MS. HANLON: A It is, but I guess I just would add to
7 as well, the program is cost effective already. So.

8 MS. McLEAN: Q And I don't know if you can respond in
9 this level of detail or not, but when you are applying
10 the 40 percent adder to the NIA, have you considered
11 which components are eligible?

12 MR. HOBSON: A I think that is part of the challenge
13 with it, but we've got to look at the regulation and
14 consider what the regulation is allowing us to apply
15 it to and then make sure that we are trying to be
16 consistent with the regulation in terms of how we are
17 applying it to the components within it, recognizing
18 that not every participant in the non-integrated area
19 is necessarily going to qualify under that regulation.

20 MS. McLEAN: Q Okay, and again, and I'm just drilling
21 down on a point that really you have made largely in
22 your evidence, but I just want to again be clear on
23 the degree to which it applies. If we are looking at
24 Table A-8, there is a natural gas benefits column.

25 MS. HANLON: A That's correct, yes.

26 MS. McLEAN: Q And for the NIA, that is assessed at

1 zero?

2 MS. HANLON: A Yes, that's correct. And the reason for
3 that is that natural gas is not typically or at all
4 the secondary heating source in the NIA, it's other
5 heating sources. And I think in that same IR response
6 that I referenced, that we committed to looking at
7 whether other secondary heating sources, whether it's
8 propane, wood, whether or not there might be some
9 benefits there that we could capture for the NIA
10 program.

11 MS. McLEAN: Q And again, that would likely improve the
12 analysis?

13 MS. HANLON: A It would. Assuming yes, that we found
14 those benefits, but yes, it would, yes.

15 MS. McLEAN: Q Right, okay. Now with respect to
16 capacity benefits generation, which is another column,
17 again that is assessed at zero.

18 MS. HANLON: A Yes.

19 MS. McLEAN: Q But I believe that again BC Hydro has
20 acknowledged that there could be some capacity
21 benefits attributed to the NIA under that particular
22 column as well?

23 MS. HANLON: A Perhaps. I think with this one we had
24 said that typically the benefits are based on growth.
25 So deferring new capital infrastructure, and our
26 understanding of the situation in non-integrated

1 communities is that is not necessarily the situation
2 that growth is contemplated. And so we could
3 undertake to see whether there is a benefit, but I'm
4 not sure if that is as obvious as an area where we
5 would look for extra benefits compared to some of the
6 other categories or columns that we just discussed.

7 MS. McLEAN: Q And is it possible that the DSM
8 activities in the NIA could create generation
9 capacity?

10 MR. HOBSON: A And whether or not that capacity has
11 value would be the question as to whether or not it
12 gets represented as a benefit.

13 MS. McLEAN: Q Can you expand on that?

14 MR. HOBSON: A So, if you have already made the
15 investment in the generation capacity you've got in
16 the community, and we come along and we reduce the
17 draw upon that and create more excess generation, if
18 there is not a way to use that, then there is not
19 necessarily a benefit to it.

20 MS. McLEAN: Q Okay. And is that a distribution issue
21 then?

22 MR. HOBSON: A I don't think so, no. Sorry,
23 distribution in terms of distribution capacity?

24 MS. McLEAN: Q You are talking about ways to use it. I
25 mean I guess I was wondering what would be the
26 limitation in terms of there not being an ability to

1 use it?

2 MR. HOBSON: A Yes, whether it would be transmission or
3 distribution in terms of what you could do then with
4 that generation I guess would be the question.

5 MS. McLEAN: Q Okay. And you've acknowledged that it
6 may be possible to account for reducing consumption of
7 other secondary heating sources?

8 MR. HOBSON: A That's correct, yes.

9 MS. McLEAN: Q And are there other types of benefits
10 under the first category that you account for in table
11 8-A, you have non-electricity benefits. So would
12 there be other types of benefits such as environmental
13 and health benefits, improved air quality that could
14 be accounted for?

15 MS. HANLON: A Well, I think the last part of what you
16 just said is the key part. I think we certainly would
17 acknowledge there is other benefits. Some of the
18 challenges are trying to quantify those. And so I
19 think that was part of the thinking in terms of why
20 the government decided to offer the 40 percent adder,
21 is that some of these other benefits may be harder to
22 quantify and so that's why they've put that in the DSM
23 regulation.

24 **Proceeding Time 10:38 a.m. T20**

25 MS. McLEAN: Q And would you see value then because I
26 think the -- we have these two different ways of

1 assessing the cost effectiveness of DSM before the
2 Commission and I don't recall seeing more of that
3 narrative of the other more intangible benefits that
4 may be difficult to measure but are nevertheless
5 present. Do you see value in reporting on those types
6 of benefits and in some way documenting that in future
7 proceedings?

8 MR. HOBSON: A I mean, we have a bit of narrative in
9 the application on some of the other benefits, whether
10 it's environmental or employment and things like that.
11 And you're right, there are some other benefits that
12 can be attested to around health and safety and things
13 like that as well, but I'm not sure what we do with
14 some of that information at the of the day, so how
15 much effort we go into studying some of it and
16 recoding on it versus the value of what you get from
17 it in terms of decision making, I guess, would be the
18 question.

19 MS. McLEAN: Q And again I just want to be very clear,
20 in your evidence. I think what you've acknowledges is
21 that you've done the best that you can in providing an
22 assessment of cost effectiveness of a new program and
23 that you acknowledge that perhaps there could be
24 improvement in future years and Hydro's committed to
25 providing more detailed analysis in future years to
26 support DSM in the NIA?

1 MS. HANLON: A Yes, I think we can definitely look into
2 a few areas that we've discussed and where there's
3 better information on the non-integrated community and
4 the benefits that we might see, we'll try to
5 understand whether the -- well, we'll try to
6 incorporate that as it comes to us.

7 MS. McLEAN: Okay, thank you, those are my questions.

8 THE CHAIRPERSON: Thank you, Ms. McLean.

9 COMMISSIONER FUNG: If I may, please, I just want to
10 follow up on the expenditures for the annual plan for
11 Fiscal 2020, and that was shown as budgeted for \$1.2
12 million. And my question is, are the staffing costs
13 associated with administration of that program, do
14 they include the program manager and the relationship
15 lead salaries as well?

16 MR. HOBSON: A Go ahead.

17 MS. HANLON: A In the program costs?

18 COMMISSIONER FUNG: Yes.

19 MS. HANLON: A Yes, that would be --

20 COMMISSIONER FUNG: So in the annual plan, the 1.2
21 million, does that include their salaries?

22 MS. HANLON: A Yes, that would.

23 COMMISSIONER FUNG: Okay, and how much does that come
24 up to approximately?

25 MR. HOBSON: A I don't know off the top of my head but
26 it would be -- it'd probably be in the couple hundred

1 question. I think Ms. McLean at one point asked you
2 about a report that was being produced – I apologize,
3 I don't remember the title of it – and you said it was
4 only available in draft and there was discussion as to
5 whether you were going to undertake to deliver that
6 draft or not. Could you be clear on where that ended
7 up? Because I wasn't clear on whether you'd
8 undertaken to deliver that in draft in evidence for
9 her.

10 MR. HOBSON: A I didn't think we did. I thought where
11 we had left it was BC Hydro, when the report was
12 final, would be happy to share it with the Zone II
13 group.

14 COMMISSIONER MASON: Okay, Ms. McLean, are you
15 satisfied with that outcome?

16 MS. McLEAN: That was a report with respect to pilot
17 projects, it does inform the development of the NIA
18 DSM program and we certainly think it would have value
19 in assessing the program as it is being implemented.
20 I appreciate there can be some limits to a draft, but
21 it's also, you know, sophisticated decision makers can
22 take it as a draft, so I would suggest it could form
23 part of the record.

24 **Proceeding Time 10:42 a.m. T21**

25 THE CHAIRPERSON: What if the final report was filed
26 with the Commission, not necessarily within this

1 proceeding, but filed with the Commission when it's
2 ready, would that work?

3 MS. McLEAN: That would be satisfactory. And to the
4 extent, you know, we are looking at potential
5 submissions stretching till June, so it may be that it
6 could form part of this proceeding.

7 THE CHAIRPERSON: But let's assume it didn't, would
8 that still --

9 MS. McLEAN: I think we can live with that in this
10 situation, yeah. Thank you.

11 THE CHAIRPERSON: Mr. Bystrom, would you have any
12 objection to that?

13 MR. BYSTROM: Yeah, so we understand the final version
14 will be filed with the Commission.

15 THE CHAIRPERSON: Right.

16 MR. BYSTROM: And if it's happens to be after this
17 proceeding is over, then that's acceptable to
18 everybody.

19 MS. McLEAN: That's fine. Yes, thank you.

20 THE CHAIRPERSON: Then, please, do so, thank you.

21 **INFORMATION REQUEST**

22 THE CHAIRPERSON: Thank you, Ms. McLean.

23 MS. McLEAN: Thank you.

24 MR. MILLER: Commissioner Morton, Staff has a handout,
25 witness aid. There's only two documents in it. One
26 is a transcript from this proceeding and the other is

1 a page from the application.

2 THE CHAIRPERSON: Thank you, Mr. Miller.

3 **CROSS-EXAMINATION BY MR. MILLER:**

4 MR. MILLER: Q So if I can direct your attention to the
5 first page of the witness handout, it should be a copy
6 of the transcript from Volume 8 or 8A, page 1175. Do
7 you have that?

8 MR. HOBSON: A We do.

9 MS. HANLON: A We do.

10 MR. MILLER: Q So starting on line 16 there was a
11 conversation about halfway down the page between
12 myself and Ms. Fraser. And I asked her to confirm --
13 or whether or not it was fair that activities were
14 deferred to the DSM regulatory account, they're not
15 directly involved in an installed DSM measure such as
16 marketing, sales, public awareness programs, education
17 and outreach. And then starting on line 21 she
18 confirmed that was the case. Do you see that?

19 MR. HOBSON: A I see your question. And then, sorry,
20 where is she confirming?

21 MR. MILLER: Q Starting on page -- line 21,
22 "I think all the costs that go into the DSM
23 regulatory account meet the definition that you
24 just read out."

25 MR. HOBSON: A Meaning that we have marketing, sales,
26 public awareness --

1 MR. MILLER: Q Yes.

2 MR. HOBSON: A -- included in that account. Yes.

3 MR. MILLER: Q Is that correct?

4 MR. HOBSON: A Yes.

5 MR. MILLER: Q Okay. So the first question is – and
6 you may need to take this as an undertaking – what's
7 the forecast cost of those specific activities during
8 the test period? So marketing, sales, public
9 awareness programs, education, and outreach.

10 MR. HOBSON: A So public awareness, education and
11 outreach I may be able to help you out with now.

12 MR. MILLER: Q Sure.

13 MR. HOBSON: A It's a specific line item. I think
14 you're referring to the portfolio level costs that we
15 have for public awareness, education and outreach, and
16 that's a line item within our portfolio plan that is
17 about \$7.5 million thereabouts.

18 MR. MILLER: Q So that was the number yesterday that we
19 heard about, I think it was referred to as
20 advertising?

21 MR. HOBSON: A Advertising would be a component within
22 that, but I also indicated yesterday that would
23 include things like our internet campaigns, school
24 education, outreach staff, things like that as well.

25 MR. MILLER: Q Okay, and that was --

26 MR. HOBSON: A Sorry. Sales would not be included

1 within that.

2 MR. MILLER: Q And neither would marketing, correct?

3 MR. HOBSON: A So marketing is an interesting term.

4 And so if we're talking about marketing in terms of
5 communication costs, then marketing would be included

6 within that public awareness, education and outreach.

7 We also have within certain programs, there would be

8 advertising embedded within some of those programs,

9 but it's a smaller amount.

10 MR. MILLER: Q Okay. And the 7.5 million that we were
11 just talking about, that was for F2020, is that right?

12 MR. HOBSON: A Yeah, it's 7.4 million for F20.

13 MR. MILLER: Q Okay. And what's the number for F2021?

14 MR. HOBSON: A 7.5.

15 MR. MILLER: Q The same thing, roughly?

16 MR. HOBSON: A Yeah.

17 THE CHAIRPERSON: Sorry, can I just clarify, please,
18 Mr. Miller? Are these numbers included in the -- what
19 you call your DSM program costs though?

20 MR. HOBSON: A It's part of overall portfolio. So in
21 Chapter 10 costs of what -- the way we look at is
22 we've got a combined portfolio, it's got programs,
23 it's got some supporting initiatives, and they all
24 combine as necessary costs to achieve the stream of
25 savings.

26 THE CHAIRPERSON: Because as this excerpt says, these

1 are incurred in other departments and then transferred
2 through an accounting allocation, but that accounting
3 allocation is done before you compile all your DSM
4 costs, so they're all included, right?

5 MR. HOBSON: A Yeah. And the way to think of it is,
6 you know, organizationally we've got a unit for
7 conservation and energy management, but
8 organizationally we also have a unit that has customer
9 services, it has key account managers that we
10 leverage. We have a communications department within
11 BC Hydro that's outside of our organization, but we
12 leverage. So in terms of being outside of our
13 organizational structure, that's true, but in terms of
14 being costs that are outside of our DSM portfolio,
15 they're not, they're costs that are embedded within
16 our portfolio.

17 THE CHAIRPERSON: Okay. Thanks for the clarification.

18 MR. MILLER: Q So I think the one item we haven't
19 specifically addressed and that was sales. So what
20 are the sales amount for -- what sales dollar figures
21 for F2020 and F2021?

22 MR. HOBSON: A The numbers I have are 2.1 for F20 and
23 2.4 for F21.

24 MR. MILLER: Q Okay. Go to the second page of the
25 handout. This is a copy of page 1037 of the
26 application.

1 MR. HOBSON: A I have that.

2 MR. MILLER: Q And the table at the top of the page,
3 Table 10-14, is entitled "Average Measure Life
4 (years)". And this table, correct me if I'm wrong,
5 shows the average measure life in years of its DSM
6 portfolio for the test period, correct?

7 MR. HOBSON: A That's correct.

8 **Proceeding Time 10:49 a.m. T22**

9 MR. MILLER: Q Okay, and if we go down to the bottom of
10 the page and footnote thirty -- 371, excuse me, the
11 first line, first sentence. It says,
12 "The average measure life is based on the median
13 number of years that the measure installed is
14 still in place and operable."

15 Correct?

16 MR. HOBSON: A Correct.

17 MR. MILLER: Q So, my question to you is, whether the
18 measure life of activities as reflected in the table
19 at the top of the page, such as marketing, public
20 awareness, education and outreach, are included in the
21 average measure life?

22 MR. HOBSON: A So the way to think of this -- so the
23 short answer would be no, but I think you need to
24 think of it perhaps a little bit differently. The
25 effective measure life is applied to the stream of
26 benefits, or energy savings, that emerge from the

1 portfolio. And then the way we treat that is we are
2 taking that stream of benefits and we're saying, "Well
3 what are the associated costs that are required to
4 achieve those benefits", and the amortization of those
5 costs is then based on the period of time that we
6 believe those benefits will exist.

7 MR. MILLER: Q So then is it correct to say that there
8 aren't any direct energy savings that can be measured
9 with activities such as public awareness, education,
10 marketing and outreach? They may be indirect, but not
11 direct benefits?

12 MR. HOBSON: A We don't measure benefits specific to
13 components, I would say, within our plan in terms of
14 cost components. We do it more based on the program
15 itself in terms of what the offers are to drive up the
16 savings. But the way that we would take a look at it
17 would be the cost that we're incurring to make
18 customers aware, help customers work through some of
19 the acceptance issues they have with efficiency, are
20 an important cost that are necessary to achieve the
21 benefits.

22 MR. MILLER: Q So are you able to provide us with
23 information on what the average measure life of
24 activities such as marketing, public awareness,
25 education and outreach might be?

26 MR. HOBSON: A No, and as I just said, we wouldn't look

1 at it that way. We would look at average measure life
2 coming back to the energy savings measures that
3 actually end up occurring within the market place, and
4 then the work that we do from there is to try to
5 understand how long do we think that measure is
6 actually going to be in place, and saving energy. So,
7 if we get a lighting system that gets put in place,
8 what's the reasonable period to assume that that
9 lighting system is in place and saving energy, and
10 over what period of time.

11 MR. MILLER: Thank you, panel, those are my questions.

12 THE CHAIRPERSON: Thank you, Mr. Miller.

13 COMMISSIONER MASON: I have a question for Mr. Hobson.

14 I believe you mentioned a day or so ago -- yes, it was
15 yesterday, you were talking about prescribed
16 undertakings and measures generally to reduce
17 greenhouse gas emissions. And you said that BC Hydro
18 needs -- these initiatives need to be a GHG reduction
19 to qualify. I know it might sound obvious, but the
20 *Greenhouse Gas Reduction Regulation* that it would have
21 to reduce greenhouse gas emissions to qualify, but is
22 that your general understanding?

23 MR. HOBSON: A In terms of the definition of the
24 prescribed undertakings we've provided?

25 COMMISSIONER MASON: Yeah, from BC Hydro's perspective.

26 MR. HOBSON: A Yes. Yes.

1 COMMISSIONER MASON: Okay. Thanks I just wanted to
2 clarify that. And I had another question, a
3 completely different topic about budget philosophy.
4 So, in other contexts in BC Hydro such as capital, for
5 example, BC Hydro estimates the expected cost of a
6 capital investment and it understands that it could be
7 plus or minus and it has certain tolerances and that's
8 well understood.

9 **Proceeding Time 10:53 a.m. T23**

10 Departmental budgeting, of course, is quite
11 different. I'm sure BC Hydro strives to stay within
12 its budgets within each department. It seems to me
13 that for some of these DSM initiatives the philosophy
14 might be slightly different and I just want to get a
15 bit of an understanding of that because I know you
16 sound disappointed when the uptake of a particular
17 initiative isn't enough and one might look at that and
18 say, "Well, it appears like it's a cost saving," but
19 of course it isn't because you're not really getting
20 the benefits of that program.

21 MR. HOBSON: A Right.

22 MS. HANLON: A Mm-hmm, yeah.

23 COMMISSIONER MASON: So I just want to understand, when
24 you set a budget for some of these initiatives are you
25 -- is that simply your best expectation of where it
26 will be or is it some kind of target to achieve and

1 you still view it as a success if you go over that?
2 And of course then there's the interplay between
3 budgeting and how you manage to that budget. Could
4 you maybe just give me a very high-level description
5 of that so I understand your philosophy of budgeting
6 it.

7 MR. HOBSON: A It's probably a little bit of both. I
8 mean, I think we're basing our budget on the best
9 information we have at the time, in terms of what we
10 think it's going to take to deliver the program. When
11 we get into delivering it, I think it varies a little
12 bit. I tried to articulate a little bit of it
13 yesterday, but if we've got an opportunity to get
14 something done and spend less money doing it, then I
15 think that's still something that we're actively
16 trying to pursue and so I think you'll see things like
17 that that will emerge throughout the year.

18 I think we're also in a period with --
19 where we're at with the moderation strategy, we're
20 trying to stay within the overall budget that we're
21 working within. So I don't think we're looking to
22 exceed the budget that we've set, we're looking to
23 work within that. We're alive to the idea that we may
24 need to make adjustments within the plan as we go
25 through the year as a result with different
26 initiatives but staying in that overall funding

1 envelope.

2 And I think if we got to the point where we
3 could exceed the budget by doing more, then that would
4 be something that we would have to take on in terms of
5 decision within BC Hydro around the risks of doing
6 that and there would be regulator risks, potentially,
7 in us taking that step and we would have to weigh the
8 various trade-offs in terms of what we would benefit
9 from in terms of going beyond the budget and whether
10 or not that made sense.

11 COMMISSIONER MASON: Thank you, that's helpful.

12 THE CHAIRPERSON: I don't have any further questions,
13 thank you very much.

14 So I'd like to thank this panel for your
15 help, you've been very helpful to all of us and we
16 appreciate your time and attention here, thanks.

17 THE CHAIRPERSON: Is there anything that you have
18 further for this panel?

19 MR. BYSTROM: No, we have no redirect or anything for
20 this panel.

21 THE CHAIRPERSON: Nothing for re-examination? Okay,
22 great, thank you.

23 (PANEL ASIDE)

24 THE CHAIRPERSON: So unless there's anything further
25 for us and it looks like Mr. Miller has something.

26 MR. MILLER: I believe Mr. Ghikas was going to inform

1 the panel about when the undertakings will be
2 completed by.

3 THE CHAIRPERSON: Maybe he's just checking to see.

4 MR. BYSTROM: Mr. Ghikas just stepped out for a minute.

5 THE CHAIRPERSON: His timing is very good.

6 MR. BYSTROM: Yeah, his timing was excellent and I
7 think I know what he was going to say but --

8 THE CHAIRPERSON: He must have gone to the Batmobile.

9 MR. BYSTROM: So maybe if we could just wait 50
10 seconds.

11 THE CHAIRPERSON: Okay. While we're waiting, as we
12 discussed yesterday, the panel will be preparing, at
13 least a revised regulatory timetable and a letter to
14 summarize what we discussed yesterday. We'll try to
15 get that out by the end of the week or very early next
16 week, but in the interim you can assume that the dates
17 in option 2 will be guaranteed, that we will not
18 change those dates. So please proceed with those
19 dates.

20 **Proceeding Time 10:58 a.m. T24**

21 MR. GHIKAS: So, Mr. Chairman, the only submissions I
22 have is with respect on how to close off the record.
23 The proposal that BC Hydro is going to put forward was
24 to close the record now subject to BC Hydro's
25 responses to undertakings. And I will have a caveat
26 on that in a moment. And that BC Hydro file

1 undertakings as they are ready on a best efforts
2 basis, but with a deadline of Friday March the 28th.
3 So I will speak to both of those.

4 So, first of all, in my submission it is
5 important to bring the record to a close at some
6 point, the process has gone on a long time. So that
7 is a compelling rationale to bring things to a close.
8 The caveat that I had just spoken about was that my
9 friend Mr. Keen raised, well what happens if the
10 undertaking comes in and we need to clarify something
11 with you. And my proposal with respect to that is
12 that we do close the record subject to the
13 undertakings being filed, but that if there is a
14 reasonable request to be made to clarify something, BC
15 Hydro is not going to be opposing. We would consent
16 to reopen the record to provide a reasonable
17 clarification. And in my submission, BC Hydro has
18 shown its willingness to be very pragmatic on these
19 sorts of things going forward, and that would continue
20 in the context.

21 What we want to avoid is to phrase the
22 closure of the record as subject to the undertakings
23 being filed and any follow up on that. Because in my
24 submission, it is very important that we not signal
25 that there should be another round of IRs on
26 undertakings at this point, particularly when a number

1 of the undertakings that we received this week
2 probably could have been asked much earlier in the
3 process as well.

4 THE CHAIRPERSON: Understood.

5 MR. GHIKAS: So those would be my submissions on that
6 point, and as I say, if somebody needs reasonable
7 clarification they should just get into contact with
8 us as counsel, and we'll hopefully work something out,
9 and BC Hydro can file something by consent.

10 THE CHAIRPERSON: So, Mr. Ghikas, thank you. So March
11 28th?

12 MR. GHIKAS: Sorry, 20th.

13 THE CHAIRPERSON: Oh, 20th. Sorry, I misunderstood.

14 MR. GHIKAS: Sorry, I may have misspoken. It's in
15 March 20th, that is two weeks.

16 THE CHAIRPERSON: My concern was going to be that is
17 not very far from the time you file your submissions.
18 So if there was any back and forth on clarification it
19 wouldn't leave you much of a window. But -- so I'm
20 assuming then you are pretty confident that if there
21 is any back and forth, between March 20th and April 1st,
22 would be sufficient time to resolve that?

23 MR. GHIKAS: That would be my expectation. And as I
24 say, some of the undertakings will take more time than
25 others. The people at BC Hydro are beavering away,
26 they want these off their plate as soon as they can as

1 well.

2 **Proceeding Time 11:01 a.m. T25**

3 So you will be seeing batches coming in
4 throughout that process and it should be only the
5 real, the more onerous ones, that are even approaching
6 that deadline. So that would be the process that we
7 were going to put forward.

8 THE CHAIRPERSON: And your second point then?

9 MR. GHIKAS: Well, my second point was just simply --
10 it was the date.

11 THE CHAIRPERSON: I'll ask everyone else in a minute,
12 yeah.

13 MR. GHIKAS: Yeah, it was just that the date will allow
14 us enough time to get things done. It's essentially
15 two weeks and a day from today.

16 THE CHAIRPERSON: Okay, thank you. I'll now ask, I'll
17 go down the list and ask -- where's my list? Thank
18 you. Mr. Andrews, please.

19 MR. ANDREWS: I was involved in the discussions with
20 Mr. Ghikas and I have no objection and I support BC
21 Hydro's proposal.

22 THE CHAIRPERSON: Okay, so perhaps we'll just say if
23 any -- we'll just go down the list, if you have any
24 objection let me know. Mr. Weafer? Thank you. Mr.
25 Baer -- or sorry, Mr. Keen?

26 MR. KEEN: I should say two things, Mr. Chairman. We

1 don't have an objection to the timelines proposed, we
2 support them. In terms of follow up, we expect to do
3 that if necessary and only if necessary during the
4 March 16th through 20th period, recognizing the 20th is
5 when the record ought to close. We don't anticipate
6 many, if any, we hope not to ask any further follow up
7 questions but that arises from the right to cross-
8 examine on an undertaking and if it comes to light,
9 that's the process we have to follow.

10 THE CHAIRPERSON: Okay, but just so that I'm clear, my
11 understanding is the March 20th date is both the close
12 of the record and the last undertaking or are we
13 saying the last undertaking is on the 16th? Because
14 you used the 16th date now.

15 MR. KEEN: No, what I understand the process to be, and
16 I think I share the same understanding with my friend,
17 is that the 20th is the close of the record for the
18 undertakings. If some of that back and forth that we
19 alluded to extends beyond that time then BC Hydro
20 would file something additional on the record and it
21 would reopen, in effect. But I want to be clear that
22 we're not expecting to undertake that back and forth
23 after the 20th, we intend to do that beforehand.

24 THE CHAIRPERSON: So what is the 16th then? What's the
25 significance of that date?

26 MR. GHIKAS: I think what my friend is alluding to is

1 that we had spoken offline and my friend had indicated
2 a desire to get certain things in advance and so I had
3 taken note of that and if there's things that he
4 requires in advance we're really going to try our best
5 to get those to him by the 16th.

6 THE CHAIRPERSON: Okay, thanks, got it.

7 MR. KEEN: Thank you.

8 THE CHAIRPERSON: Thank you. Mr. Austin? No? Thank
9 you. Ms. Worth -- or sorry, Ms. Mis? Thank you. Mr.
10 Quail is not here, no one representing MoveUP. Mr.
11 Ince?

12 MR. INCE: No objections.

13 THE CHAIRPERSON: Okay. Ms. Gjoshe? Thank you, and
14 Mr. Cullis is not here and Ms. McLean? All right
15 then, that's the way we'll leave it.

16 Once again, thank you. Thanks to everyone
17 for your participation. I think it's been a good
18 protracted two weeks or so, and I'd like to thank
19 everyone for their thoughtful questions and I would
20 also like to thank BC Hydro for their forthcoming
21 answers and for their participation in this, it's been
22 beneficial to the panel and we certainly appreciate
23 it.

24 So, safe travels home and enjoy the rest of
25 this sunny day. Thank you very much.

26 (PROCEEDINGS ADJOURNED AT 11:05 A.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

March 4th, 2020