CAARS
B.C. Hydro 1994/95 Revenue Requirements Reconsideration Decision
Phase I May 8, 1995

## 1.0 BACKGROUND

On November 24, 1994, the British Columbia Utilities Commission (the "Commission") issued its Decision ("Decision") and Order No. G-89-94 on the 1994/95 Revenue Requirements Application of the British Columbia Hydro and Power Authority ("B.C. Hydro", the "Utility"), filed February 11, 1994.

On February 8, 1995, B.C. Hydro applied to the Commission pursuant to subsection 114(1) of the Utilities Commission Act (the "Act") for a reconsideration of certain aspects of the November 24, 1994 Decision and, pursuant to subsection 119(2) of the Act, for a stay of certain aspects of the Decision pending determination of the Reconsideration Application and pending the disposition of an appeal which B.C. Hydro had initiated in respect of the Decision.

Subsection 114(1) of the Act states:

"The commission may reconsider, vary or rescind a decision, order, rule or regulation made by it, and may rehear an application before deciding it."

Subsection 119(2) of the Act states:

"The commission may, in its discretion, suspend the operation of its decision, order, rule or regulation from which an appeal is taken until the decision of the Court of Appeal is rendered."

On February 23, 1995, the Commission issued Order No. G-18-95 asking for written submissions from registered intervenors or other parties to the Reconsideration Application. The Order stipulated that these submissions were to be filed with the Commission by March 15, 1995 and that B.C. Hydro was to file its written reply by March 29, 1995. The purpose of the initial review of the Reconsideration Application was to determine if any or all of the issues raised by B.C. Hydro met the Commission requirement of establishing a prima facie case sufficient to warrant full reconsideration by the Commission.

Oral argument on the Application was heard on April 12, 1995.

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## 2.0 APPLICATION

In its Reconsideration Application, B.C. Hydro requested reconsideration of specific portions of the November 24, 1994 Decision. In addition, the Utility also requested a stay, pursuant to subsection 119(2) of the Act, of certain aspects of the Decision pending determination of this Reconsideration Application and during the currency of a leave to appeal application filed by B.C. Hydro on December 22, 1994 in the British Columbia Court of Appeal.

Specifically, B.C. Hydro sought reconsideration of the Commission's determinations relating to filing of an Integrated Resource Plan ("IRP") by June 30, 1995 and certain directions contained in the Decision as to the process to be followed by B.C. Hydro in completing the IRP. The Utility also sought reconsideration of directions in the Decision with regard to B.C. Hydro's policy with respect to the allocation of line and wire work. Finally, the Utility asked that the Commission reconsider the parts of the Decision relating to the calculation of net export revenues and the calculation of the rate of return on equity.

Each of these requests are discussed in the Findings section of this Reconsideration Decision.

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## 3.0 GUIDING PRINCIPLES FOR RECONSIDERATION

In Order No. G-18-95 the Commission stipulated that submissions should address the following issues:

"(a) Should there be any reconsideration by the Commission?

(b) If there is to be a reconsideration should the Commission hear new evidence and should new parties be given the opportunity to present evidence?

(c) If there is to be a reconsideration, should it focus on the items from the B.C. Hydro Reconsideration Application, a subset of these items, or additional items?

(d) Should there be a stay of aspects of the Decision as requested by B.C. Hydro and, if so, to what extent?"

The Commission's powers of reconsideration under section 114 of the Act are discretionary. The Commission uses the following criteria in determining whether or not a reasonable basis exists for requiring reconsideration:

1. An error in fact or law;

2. A fundamental change in circumstance or facts since the impugned Decision;

3. A basic principle that had not been raised in the original proceedings; and

4. A new principle that has arisen as a result of the impugned Decision.

The Commission accepts these four points as forming a reasonable basis for requiring reconsideration, but the Commission will exercise its discretion to reconsider in other situations where it deems there to be just cause. However, the Commission does not take the decision to reconsider lightly. The Commission's discretion to reconsider and vary is applied with a view to ensuring consistency and predictability in the Commission's decision making.

With respect to the allegation of error, the Commission has determined that, with the onus of demonstration upon the Utility, a claim would advance to a future reconsideration hearing if it met the following criteria:

1. The claim of error is substantiated on a prima facie basis; and
2. The error has significant material implications.

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# 4.0 FINDINGS

## 4.1 Jurisdiction Over the Integrated Resource Planning Process

In its Reconsideration Application, B.C. Hydro alleged that the Commission committed three "jurisdictional errors" in respect of those aspects of the Decision concerning B.C. Hydro's IRP process, as follows:

1. Taken as a whole, the Commission Decision represents an extension of Commission regulation into areas over which the Commission has been invested with no jurisdiction by the legislature;

2. The specific orders made by the Commission were made in the absence of any express or implied statutory authority; and

3. The Commission exceeded its jurisdiction by having reference to irrelevant or legally improper considerations in reaching its decision.

With respect to the first of these arguments, B.C. Hydro asserted that there was a split in regulatory responsibility between Part 3 of the Act and approval of major energy projects under Part 2 of the Act. In its Reconsideration Application, B.C. Hydro stated that:

"The Commission has the responsibility for traditional rate regulation, including responsibility over B.C. Hydro's rate design. On the other hand, the energy planning function is removed from the Commission and invested in the Minister of Energy." (App. p. 5)

B.C. Hydro did acknowledge some degree of overlap between the Commission's functions under Part 3 and the resource planning functions of the Minister and Cabinet under Part 2. Nevertheless, B.C. Hydro asserted that the courts would be unwilling to transfer to the Commission jurisdiction over resource planning if that responsibility was primarily held by the Minister or Cabinet.

B.C. Hydro asserted that the Commission's powers under section 28 of the Act were limited to dealing with facilities already constructed:

"Section 28 gives you general supervisory powers so you can make sure that the system is operated safely and you can pick up the other aspect of what is covered by section 28, but again it is in respect to physical plant which the utility investor has now committed." (T. 11-12)

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Accordingly, B.C. Hydro was of the view that the proper way for the Commission to deal with inappropriate projects would be to wait until they were built and then exercise its jurisdiction under Part 3 of the Act by saying to the Utility:

"You shouldn't have built that mega project, why on earth are you trying to recover rates on behalf of that mega project when you could have achieved the same thing much more efficiently, cheaply or as the case may be." (T. 16)

In respect of the second alleged "jurisdictional error", B.C. Hydro submitted that "...whatever jurisdiction the Commission does have over resource planning falls short of permitting the very detailed Orders made in this case." (App. p. 9)

In this regard, B.C. Hydro asserted that the management decisions of B.C. Hydro's directors could only be overturned by the Commission where there is clear statutory authority to do so. In oral argument the counsel for B.C. Hydro supplemented this contention with the following comment:

"In my respectful submission, there don't exist in the Commission any tools given by the Act which would permit the management of a public consultation process to the extent and in the way that this decision seeks to do. And that really is the second argument on jurisdiction prepared in the February 8 letter. Even if there's a general jurisdiction, the specific orders exceed what that is." (T. 27)

Counsel concluded his arguments with respect to jurisdiction by referring to legal precedents provided in the Reconsideration Application. He stated that other Intervenors had not addressed those precedents and he recognized that they would do so if the Commission chose to reconsider the jurisdiction issue. He concluded that "All I take from that is the prima facie case on the jurisdictional issue is clearly established, and that in my respectful submission, which is all that need be done today." (T. 26)

With respect to the alleged jurisdictional error involving reference to irrelevant or improper considerations, B.C. Hydro's counsel, in an exchange with the Chairperson at T. 29, confirmed that he had no more evidence of a partial reliance by the Commission on the Environmental Assessment Act than the paragraph at the top of p. 65 of the Decision.

Counsel for the Consumer's Association of Canada (B.C. Branch) et al. ("CAC (BC) et al."), the Industrial Customers, and the B.C. Energy Coalition ("Energy Coalition") rejected the B.C. Hydro proposition that the Commission lacked jurisdiction to require B.C. Hydro to undertake Integrated Resource Planning. They pointed to the general supervisory powers of the Commission under section 28 of the Act and the requirements of section 31 to establish just and reasonable standards or practices to be used by a public utility. These intervenors also noted that B.C. Hydro did not raise its jurisdictional

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arguments during the hearing which led to the impugned Decision and the Industrial Customers and CAC (BC) et al. concluded that B.C. Hydro should not now be allowed to seek reconsideration.

The Energy Coalition took the position that the Commission has jurisdiction to require integrated resource planning, but that the jurisdictional arguments should be reconsidered in part to assist the Court of Appeal in its task of interpreting the Act in light of the modern realities of the Commission's regulatory responsibilities. Recognizing that B.C. Hydro had failed to address the jurisdictional arguments in the original hearing, the Energy Coalition stated that this issue should not go before the courts without a proper record and decision from the Commission.

Counsel for the Energy Coalition further stated that:

"This appeal will not be heard for some time, and concerns about the legality of IRP will drag on in the meantime. And I think the situation will be made worse if B.C. Hydro silently drops its appeal and that uncertainty is just lingering there indefinitely, having raised it as a focal point for the regular intervenors at the Commission." (T. 115)

In considering these arguments the Commission recognizes that, for the past two decades, this Commission and its predecessors under the Act and the Energy Act have required all utilities under its jurisdiction to undertake multi-year resource planning and to file resource plans with the Commission annually. The jurisdiction of the Commission to supervise utilities to ensure that they adequately plan for future resource additions so as to provide adequate, safe and reliable ongoing service to customers at low rates has not previously been challenged.

The Commission has difficulty finding a basis in the Act for B.C. Hydro's proposition that the Commission does not have the power to deal with resource planning, except through the use of blunt, after-the-fact mechanisms, such as disallowance of very large rate base items. At this juncture, however, the Commission must only determine whether B.C. Hydro has established a prima facie case that the Commission's jurisdiction to require integrated resource planning may be in doubt. The principles for reconsideration established by the Commission do not require that an applicant prove the ultimate merit of its request for reconsideration at this stage.

The Commission recognizes that the jurisdiction to require integrated resource planning is not expressly stated in the Act. B.C. Hydro argues that, if such jurisdiction did exist in previous legislation, it has now been removed by the establishment of Part 2 of the Act. Others point to the composite of the Commission's responsibilities under Part 3 (and particularly sections 28, 31 and 51) as maintaining the Commission's jurisdiction in this regard, arguing further that Part 2 of the Act relates to specific project

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approvals rather than utility resource planning. B.C. Hydro and others have raised other legal precedents to support their different interpretations of the Act.

**The Commission finds that a prima facie case has been established to bring into question aspects of its integrated resource planning jurisdiction, and will proceed to hear arguments and evidence on the merits of this issue.**

### 4.2 Policy

In its Reconsideration Application, B.C. Hydro argued that the Commission's IRP-specific directions in its November 24, 1994 Decision constituted "a palpable error of law and policy."

It was alleged that an error of law arose in that "there was no record" on which the Commission could base the conclusion that B.C. Hydro should receive specific directions as to its conduct of the IRP process. The Application further alleged that there was also an "error of policy", in that the Commission was attempting, by its directions, to "micro-manage" B.C. Hydro. These two "policy arguments" occupied the bulk of the submissions in B.C. Hydro's Reconsideration Application, consisting of 11 of the 27 pages.

In oral argument on April 12, however, the counsel for B.C. Hydro made a significant revision to the "policy argument". After briefly indicating that the general policy argument had been made in the Application, counsel then stated that there had been a "contextual change", in that "B.C. Hydro has in fact done everything it can to participate constructively in a process which looks generally like the one laid out in the Commission's Decision." (T. 34) Counsel for B.C. Hydro then went on to indicate that, as a result, the Commission "...should read the policy argument, now, I think, to be a plea for flexibility, which is in there." (T. 36)

Counsel for the Energy Coalition submitted that there was no basis for the assertion in B.C. Hydro's Reconsideration Application as to the absence of a record on which the Commission could base this aspect of the Decision. (T. 118)

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Counsel for the CAC (BC) et al. took issue with the B.C. Hydro complaint of micro-management:

"...The Commission is saying to B.C. Hydro, 'We want you to do planning with regard to how you'll meet future demand. In that planning we want you to treat alternative resources on an consistent basis and we want you to consult with the public.' Now, is that so extraordinary? Is that so objectionable? Are these not things that any responsible utility would be doing itself?

Again, it's the Commission saying to B.C. Hydro, 'Do your job.'

And it's only because B.C. Hydro has not been doing its job that the Commission had to be somewhat more specific in its directions than it has had to be previously." (T. 88)

Counsel for the Industrial Customers supported the CAC (BC) et al. argument by examining each of the Commission directions to argue that, in each instance, the Commission direction was supported by the evidence at the hearing and was reasonable within the powers of the Act. (T. 126-132)

**After considering these submissions, the Commission denies reconsideration on this ground.**

### 4.3 Construction Business Unit ("CBU")

The November 24, 1994 Decision instructed B.C. Hydro to:

"...bring forward a policy which would annually allocate a target percentage of line and wire work (on a dollar basis) to both the contracting industry and the CBU, with the balance of work being opened to competitive tenderings by both the CBU and the contracting industry." (p. 29)

B.C. Hydro asks that this part of the Decision be rescinded and that instead B.C. Hydro be ordered to "update and file its formal policy . . . specifically setting out the approach it intends to take with respect to the CBU and the letting of contracts."

The B.C. Hydro request for reconsideration of this issue is based on three alleged errors by the Commission. These are:

1. Introduction of a basic principle not dealt with at the hearing;

2. An allegation of an error in law; and

3. An allegation of an error in fact. (Reply Letter, March 29, 1995)

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With respect to the first alleged error, B.C. Hydro claims "The question of quotas in general and the level of those quotas in particular was not discussed in depth . . . in the evidence." (App. p. 22)

At the outset, the Commission notes that the Reconsideration hearing determined that B.C. Hydro was incorrectly substituting the term "quota" for the term "target", which was the word actually used by the Commission in its Decision. Counsel for B.C. Hydro conceded that the word "quota" did not appear in the Commission's Decision nor in the hearing transcript. (T. 44)

The allocation of B.C. Hydro line and wire work between in-house staff, the CBU and outside contractors was the subject of considerable discussion at the original hearing. References to it appear on some 25 pages of transcript text. In addition, the final argument of the Electrical Contractors Association of B.C. dealt extensively with this topic. Furthermore, B.C. Hydro's own witnesses testified that the Utility maintained target allocations for this type of work to outside electrical contractors. (T. 793, original hearing)

**The Commission concludes that there is therefore no validity to the allegation that it has introduced a principle which did not arise in the original hearing.**

The second alleged error is that B.C. Hydro questions the jurisdiction of the Commission to order it to annually allocate a target percentage of line and wire work to both the contracting industry and to its CBU. B.C. Hydro goes on to state:

"With respect to jurisdiction, B.C. Hydro accepts the obligation to demonstrate to the Commission that it has fulfilled its mandate as efficiently as possible. Where it has failed to do so, the Commission may disallow recovery in rates. However, the Commission cannot seek to dictate with whom B.C. Hydro contracts in advance." (App. p. 22)

At p. 29 of its Decision, the Commission has made it clear that the primary purpose of the target allocation is to obtain a measure of the contracting efficiency of the CBU by exposing it to direct competition with private contractors. This goes to the heart of the Commission's jurisdictional responsibility to evaluate the efficiency of the Utility's performance in pursuing its mandate. Furthermore, in requesting that B.C. Hydro set targets for its contracted line work (the level of which the Utility is free to set) the Commission can in no way be construed to be dictating with whom B.C. Hydro contracts.

**The Commission finds no error in law.**

The error in fact allegation refers to "the Commission's failure to understand Information Response ECA 6-1" (an exhibit filed at the original hearing). The exhibit in question identifies the percentage of line

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work contracted-out by B.C. Hydro to independent contractors. The disposition of the balance of the work is not stated in the exhibit.

The Commission concedes that in one line on p. 28 of its Decision it erred by implying that the balance of work was executed by the CBU. However, it is readily apparent from the three paragraphs at the top of p. 29 of the Decision that the Commission was fully aware that B.C. Hydro's in-house staff were substantially involved in line work in addition to the CBU and outside contractors. It is thus clear that, in framing its instruction to the Utility, the Commission did not rely on the erroneous implication contained in the line of text to which B.C. Hydro objects.

The Commission concedes the error and is prepared to strike the offending words "doing some 60 to 70 percent of all B.C. Hydro's line work" from the text of p. 28 of the original Decision. The error, however, fails to pass the test of having significant material implications for B.C. Hydro.

**In summary, the request for reconsideration of the Commission's Decision as it relates to the Construction Business Unit does not pass the prima facie test and is therefore denied.**

### 4.4 Special Direction No. 8

B.C. Hydro argued that the Commission had incorrectly interpreted Special Direction No. 8 issued by the provincial government to the Commission. Counsel for B.C. Hydro stated "The error in law that we allege occurred here is one that we have fully articulated in the past." (T. 51) B.C. Hydro's Reconsideration Application further stated that "B.C. Hydro reiterates its argument made at pages 2523 - 2526 of the Transcript..." of the original hearing. No new information was provided in support of the reconsideration. B.C. Hydro did not seek a change in rates for 1994/95 based on this issue.

**The Commission is satisfied with its understanding of Special Direction No. 8 and denies B.C. Hydro's request for reconsideration.** The matter may be raised again at any time that B.C. Hydro is seeking an adjustment in rates should B.C. Hydro wish to present new arguments in support of its interpretation.

Counsel for the Industrial Customers asked that, if the Commission felt the matter of electricity trade income worthy of reconsideration, it instead consider a request to the Court of Appeal for a legal opinion on the interpretation of all aspects of Special Direction No. 8, rather than on the issue of electricity trade income only. A request to reconsider the interpretation of Special Direction No. 8 had been made by the

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Industrial Customers following the 1993 B.C. Hydro Revenue Requirement hearing. The Commission denied the application at that time. As stated above, the Commission continues to be satisfied with its understanding of the Special Direction. The suggestion of the Industrial Customers is therefore rejected.

### 4.5 Denial of a Fair Hearing and the Calculation of the Rate of Return on Equity

In its request for reconsideration of the rate of return on equity ("ROE") approved by the Commission, B.C. Hydro alleges an error in fact or law (Reply Letter, March 29, l995, p. 2). The alleged error in law appears to revolve around the denial of a fair hearing in that the Commission used the 1994 effective tax rate for BC Gas which was determined after the conclusion of the B.C. Hydro hearing. B.C. Hydro's request is that the Commission, in setting the applicable ROE, "employ the information available to it as at the date of the Application".

There was considerable discussion on this matter of timing at the B.C. Hydro hearing. There will always be some difficulty in arriving at direct comparability as the financial year-ends of the two companies do not coincide. BC Gas operates on a calendar year while B.C. Hydro's financial year ends March 31. At the hearing, counsel for the Commission questioned B.C. Hydro witnesses at some length on how to deal with this problem. Counsel for B.C. Hydro, interjected at one point to say:

"Maybe I can help you out here because we did face the same problem last year and at that time Hydro stated that its position was that 'We were leaving it up to the Commission to determine what should be used and at what time and we provided all the information setting out what would happen depending on what you do'." (T. 242)

The Industrial Customers argued that this issue should be rejected from reconsideration. Since the Utility is not seeking any change to the rates established by the Decision, the request was viewed by the Industrial Customers as "frivolous". (Submission p. 12)

The Commission does not accept that, in light of the position taken by B.C. Hydro in that hearing, it erred in fact or in law in its application of the most recent BC Gas effective tax rate to the calculation of B.C. Hydro's ROE at the time it issued its Decision. Nor does the Commission accept that there is any compelling reason to reconsider its calculation of the ROE allowed B.C. Hydro. If the Utility is of the opinion that the ROE should be adjusted in accordance with the adjustment mechanism formula applied to BC Gas and other regulated utilities in November, 1994, it is free to make application for such an adjustment. The discussions with Commission staff that were initiated by B.C. Hydro to seek a workable solution to the effective tax question before a future revenue requirement hearing should continue.

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**The application for reconsideration of the method of calculating the Rate of Return on Equity awarded to B.C. Hydro by the Commission in its November 29, 1994 Decision is denied.**

### 4.6 Application for a Stay

In its Application for reconsideration, B.C. Hydro also applied for a stay of proceedings pending the determination by the Commission of the Application and pending the disposition of any appeals to the Court of Appeal. Section 119 of the Act states that the Commission may, in its discretion suspend the operation of a Decision, Order, rule or regulation from which an appeal is taken until the decision of the Court of Appeal is rendered. However, subsection 114(2) of the Act states that the Commission cannot suspend a rule or a regulation without a hearing when that rule or regulation required a hearing in the first place.

The Commission is of the general view that there are three criteria which an applicant must meet to justify the granting of a stay:

1. A prima facie case as to the merits of the reconsideration application;

2. A demonstration that the "balance of convenience" lies with the applicant being granted the stay; and

3. A demonstration of "irreparable harm" to the applicant if the stay is not granted.

Whether or not B.C. Hydro has made "a prima facie case as to the merits of the application" is addressed in detail elsewhere in this Decision. The finding is that the only component of the Application for which B.C. Hydro has made a prima facie case relates to the Commission's jurisdiction to require integrated resource planning.

When considering the "balance of convenience" the Commission must measure the applicant's convenience against that of the public interest as a whole, in addition to considering the interests of the intervening parties.

B.C. Hydro counsel introduced his oral argument by stating:

"That leaves me with the stay of proceeding. That's the one that I find most difficult probably of all of the submissions to make. Because we are in a dynamic world and a stay that might have made sense two or three months ago just doesn't really make sense because Hydro has gone on and it's made the decision to try and participate as constructively as possible." (T. 71)

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In its written reply, B.C. Hydro argued that a stay would not prejudice the "maintenance of the status quo". B.C. Hydro explained its view by stating that its construction activity over the "next few years" was "accepted by everyone" and would not be affected by the planning function. With regard to the "irreparable harm" and "balance of convenience" criteria, B.C. Hydro stated that it intends to conduct integrated resource planning as directed but that it may eventually request an extension of the June 30, 1995 deadline. (T. 71-81)

The Energy Coalition argued that the term "status quo" refers to the way things were meant to be according to the Commission's Decision and not to the way they were prior to the Decision. Counsel also stated that the short-term construction plan for B.C. Hydro has not received unanimous acceptance. Counsel for the Energy Coalition suggested that a stay could potentially harm the public interest because integrated resource planning provides the public the assurance that the projects contained in the plan are the "right" projects. (T. 120)

CAC (BC) et al. supported the written submissions of the Energy Coalition.

The Industrial Customers argued that B.C. Hydro's concern about disallowance of money spent on its integrated resource planning process was "speculative" and unsupported by evidence. The Industrial Customers also submitted that a greater harm could occur if proper planning is not conducted before the need for new projects. Reference was also made to the good faith efforts of other British Columbia utilities that are regulated by the Commission and the difference in behaviour towards integrated resource planning that caused the Commission to issue its specific directions to B.C. Hydro. (T. 136)

The Commission finds that, although there is prima facie evidence of the need to reconsider aspects of its jurisdictional basis for ordering integrated resource planning, no irreparable harm will befall B.C. Hydro while such a reconsideration occurs, and it is possible that the public interest will be harmed if a stay were to be granted.

**The Commission therefore, denies B.C. Hydro's Application for a stay.**

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## 5.0 DECISION

In summary, the Commission denies the Reconsideration Application except with respect to aspects of the issue of the Commission's jurisdiction as it relates to integrated resource planning. New evidence and oral argument on the merits of this issue is approved and the Commission's Order sets out a schedule for submissions. No new parties other than Registered Intervenors in the original hearing and/or parties which made submissions on the Reconsideration Application are approved for the participation in the Phase II Reconsideration. The Application for a stay of proceeding is denied.

Dated at the City of Vancouver, in the Province of British Columbia this day of May, 1995.

Dr. M.K. Jaccard
Chairperson

Mr. F Leighton
Commissioner

Mr. K.L. Hall
Commissioner

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Order G-39-95

IN THE MATTER OF the Utilities Commission
Act, S.B 1980, c. 60, as amended
and
IN THE MATTER OF an Application by
British Columbia Hydro and Power Authority
for Reconsideration of November 24, 1994 Revenue Requirement Decision
and
Commission Order No. G-89-94

BEFORE: M.K. Jaccard, Chairperson; )
K.L. Hall, Commissioner; and ) May 8, 1995
F Leighton, Commissioner )

**O R D E R**

**WHEREAS:**

A. On February 8, 1995, British Columbia Hydro and Power Authority ("B.C. Hydro") applied to the Commission pursuant to Section 114 of the B.C. Utilities Commission Act ("the Act") for a reconsideration ("the Reconsideration Application") of certain aspects of the November 24, 1994 Decision into the Applicant's February 11, 1994 Rate Application and Integrated Resource Plan ("IRP"); and, pursuant to Section 119(2) of the Act, for a stay of certain aspects of the Decision pending determination of the Reconsideration Application; and

B. Oral argument on preliminary submissions as to whether there should be a reconsideration took place commencing at 9:00 a.m. on Wednesday, April 5, 1995 in the Commission Hearing Room, 6th Floor, 900 Howe Street, Vancouver, B.C.; and

C. The Commission has considered the Applications and arguments all as set forth in the Decision issued concurrently with this Order.

**NOW THEREFORE** the Commission orders as follows:

1. The Reconsideration Application is denied, except with respect to the issue of the Commission's jurisdiction as it relates to IRP.

2. Oral argument on the above issue approved for reconsideration will take place commencing at 8:30 a.m. on Friday, June 16, 1995, in the Commission Hearing Room, 6th Floor, 900 Howe Street, Vancouver, B.C.

3. B.C. Hydro is to file any additional evidence upon which it will rely by Monday, May 15, 1995.

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4. All parties intending to apply for Participant Funding for Phase II should file a budget consistent with the Commission's Guidelines outlined in Order No. G-117-93, by Monday, May 15, 1995.

5. Intervenors and Interested Parties intending to make requests for additional information should do so by Friday, May 19, 1995. Information Requests made by Friday, May 19, 1995 shall be responded to on or before Friday, May 26, 1995.

6. Intervenors intending to file written evidence must do so with the Commission and the Applicant by Friday, June 2, 1995. Any Information Requests by B.C. Hydro or other parties regarding written Intervenor evidence should be made by Wednesday, June 7, 1995. Information Requests made by June 7, 1995 shall be responded to by Wednesday, June 14, 1995.

**DATED** at the City of Vancouver, in the Province of British Columbia this day of May, 1995.

BY ORDER

Dr. Mark K. Jaccard
Chairperson

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