

SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, BC V6Z 2N3 CANADA  
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-175-15**

TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
FACSIMILE: (604) 660-1102

**IN THE MATTER OF  
the *Utilities Commission Act*, RSBC 1996, Chapter 473**

**and**

**British Columbia Hydro and Power Authority  
2015 Rate Design Application**

**BEFORE:** D. M. Morton, Commissioner/Panel Chair  
D. A. Cote, Commissioner November 3, 2015  
K. A. Keilty, Commissioner

**O R D E R**

**WHEREAS:**

- A. British Columbia Hydro and Power Authority (BC Hydro) filed on September 24, 2015, pursuant to sections 58-61 in the *Utilities Commission Act*, the 2015 Rate Design Application (RDA);
- B. By Order G-156-15 dated September 29, 2015 and Order G-166-15 dated October 14, 2015, the British Columbia Utilities Commission (Commission) established, among other things, a preliminary regulatory timetable. The regulatory timetable includes a round of submissions and reply submissions to the Commission on matters raised in Appendix B of Order G-156-15;
- C. Thirty-four parties registered as interveners and two parties as interested parties. In addition to BC Hydro, fourteen interveners made submissions on the matters raised in Appendix B of Order G-156-15. BC Hydro and three interveners also made reply submissions; and
- D. The Commission considered the submissions and reply submissions and makes the following determinations with respect to the scope and procedural process.

**NOW THEREFORE** the British Columbia Utilities Commission orders, with Reasons attached as Appendix A to this order, as follows:

- 1. The Cost of Service (COS) study is in scope and subject to Commission and intervener first round information requests (IRs). The review process for the COS study will be considered after the procedural conference on January 12, 2016.

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2. The proposed expedited review process on the proposed 100 percent Part 1 pricing for Medium General Service and Large General Service customers is accepted; the IR process will be in accordance with the timetable established in Order G-156-15, then followed by the argument phase as set out in page 3 of the attached Reasons and reproduced below:

Intervener Final Arguments	January 8, 2016
BCH Reply Argument	January 15, 2016
BCUC Order on or before	February 10, 2016

3. The expedited process proposed by British Columbia Hydro and Power Authority (BC Hydro) for the freshet rate pilot study is approved. A streamlined review process is scheduled for January 19-20, 2016.
4. A streamlined review process, scheduled for January 19-20, 2016, is also approved for the joint review of the proposed pricing principles for existing transmission service rates, excluding Rate Schedule (RS) 1823.
5. The review for RS 1823 may be carried out in a streamlined review process after an agreement is reached at the procedural conference.
6. The proposed Minimum Reconnection Charges will be set on an interim basis, effective December 1, 2015. A new deferral account is approved for BC Hydro to record the difference between the reconnection charges collected at the interim rate and the reconnection charges that would have been collected had they been billed at the current rate for the period December 1, 2015 through March 31, 2016.
7. Issues related to the Meter Choices Program are not within scope of this 2015 Rate Design Application. The interveners specified in section 7.1 of the attached Reasons must provide, by November 6, 2015, additional clarification on issues that they intend to pursue that are within the scope of this proceeding, otherwise their intervention status will be rescinded.
8. The intervener status of Mr. Bryenton is rescinded.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 3<sup>rd</sup> day of November 2015.

BY ORDER

*Original signed by:*

D. M. Morton  
Commissioner

Attachment

British Columbia Hydro and Power Authority  
2015 Rate Design Application

**REASONS FOR DECISION**

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## **1.0 INTRODUCTION**

On September 30, the British Columbia Utilities Commission (Commission) issued Order G-156-15 establishing the regulatory timetable for review of British Columbia Hydro and Power Authority's (BC Hydro) 2015 Rate Design Application (RDA). In Appendix B to Order G-156-15, the Commission invited submissions from all parties on the following matters:

1. BC Hydro's recommendation that the review process for the F2016 Cost of Service (COS) study be addressed at its proposed December 2015 procedural conference given B.C. Reg 140/2015 Order-in-Council (OIC) 405 dated July 15, 2015. This OIC set out that for F2017, F2018 and F2019, the Commission must not set rates for BC Hydro for the purpose of changing the revenue-cost ratio for a class of customers. The Commission invited submissions on the following: (a) if this F2016 COS study should be subject to Commission approval, endorsement, or to be limited in its use as a contextual document for rate design; and (b) if there should be a full review whether it should be undertaken as a NSP.
2. BC Hydro's proposed accelerated process for Large General Service (LGS) customers and Medium General Service (MGS) customers who are without historical baseline to take service at 100 percent Part 1 pricing. The Commission invited submissions on the need, if any, of a final order, separate from the main final order, for the different treatment of accounts who do not have historical baselines. This would include an accelerated process to make the proposed 100 percent Part 1 pricing effective January 1, 2016 by way of a written hearing in accordance with BC Hydro's proposed timetable.
3. BC Hydro's proposed expedited processes for (i) a freshet rate pilot for Transmission Services (with approval requested by February 1, 2016); (ii) Pricing Principles for Rate Schedule 1823; and (iii) other existing Transmission Service rates. Specifically, the Commission requested submissions on the need for the freshet rate pilot and its timing as well as the appropriateness of a Streamlined Review Processes (SRP) to review the proposal and BC Hydro's timetable for the above three matters.
4. BC Hydro's proposed expedited process for Minimum Reconnection Charges in the electric tariff terms and conditions and the proposed implementation timing of April 1, 2016. The Commission requested submissions from parties on the use of an SRP for process and the timetable proposed by BC Hydro.
5. Any other relevant matters that parties wished to bring to the attention of the Panel before the procedural conference.

The Panel reviewed the submissions provided by all parties and addresses each of these items in Section 2.

## **2.0 THE F2016 COST OF SERVICE (COS)**

BC Hydro proposes that after discussion at the January 12, 2016 procedural conference, the Commission order a negotiated settlement process (NSP) to determine if there is general consensus on a number of F2016 COS methodology items that could be endorsed by the Commission through approval of a negotiated settlement agreement.

The Association of Major Power Customers (AMPC) and the Canadian Association of Petroleum Producers (CAPP) submit that the COS study should be designated or considered a “Contextual Document only.” AMPC submits that parties should not be encouraged to file evidence that attacks or supports the foundations of the COS. If a COS study is to be used as more than a contextual document and no agreement is reached through the proposed NSP process, a full oral hearing with evidence would be required to test the COS study.<sup>1</sup>

The British Columbia Old Age Pensioners Organization *et al.* (BCOAPO) recommends a “full review of all aspects relevant to Modules 1, 2 and methodological directions regarding production of the F2019 COS study.”<sup>2</sup>

British Columbia Sustainable Energy Association and Sierra Club of BC (BCSEA) and the Non-Integrated Areas Ratepayers Group (NIARG) both support BC Hydro’s proposal.<sup>3</sup>

The Commercial Class Energy Consumers Association of British Columbia (CEC) submits that the F2016 COS study should have limited use as a contextual document for this rate design and should not be approved, endorsed, or accepted as a precedent for future rate considerations.<sup>4</sup>

The Canadian Office and Professional Employees’ Union, Local 378 (COPE) submits that the F2016 COS study should be subject to a Commission evaluation regarding the appropriateness of its inputs and results and the process should be a streamlined process, not an oral hearing.<sup>5</sup>

FortisBC Energy Inc. and FortisBC Inc. (collectively FortisBC) submits that the COS should be considered evidence and remains relevant. It also states that it cannot comment whether a NSP is appropriate.<sup>6</sup>

In reply, BC Hydro notes that no parties opposed the F2016 COS being subject to the first round of information requests (IRs) but submits that for various reasons, characterizing the COS as a contextual document for rate design “is not helpful.”<sup>7</sup>

### **Commission determination**

The Panel agrees with BC Hydro’s proposed approach that the COS study be subject to the first round of Commission and intervener IRs. Further review of the COS study is subject to determinations arising from the January 12, 2016 procedural conference. **Accordingly, the COS study is in scope for the first round of IRs.**

### **3.0 THE PROCESS FOR LARGE GENERAL SERVICE (LGS) CUSTOMERS AND MEDIUM GENERAL SERVICE (MGS) CUSTOMERS**

BC Hydro proposes an expedited review process to implement 100 percent Part 1 pricing for MGS and LGS customers without historical baselines, noting that in addition to a number of complaints about existing rates for MGS and LGS customers, the Commission recently issued a decision regarding the existing LGS and MGS new account rates in response to a complaint initiated by Sobeys West Inc. (Sobeys).<sup>8</sup> By Order G-142-15, the Commission directed BC Hydro to waive the difference in the amount Sobeys was to be billed under the existing

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<sup>1</sup> Exhibit C12-2, p. 2; Exhibit C13-1, p. 1

<sup>2</sup> Exhibit C2-2, p. 2

<sup>3</sup> Exhibit C3-2, p. 2; Exhibit C22-2, p. 2.

<sup>4</sup> Exhibit C1-2, p. 1.

<sup>5</sup> Exhibit C4-2, p. 2.

<sup>6</sup> Exhibit C26-1, p. 3.

<sup>7</sup> Exhibit B-3, p. 2.

<sup>8</sup> Exhibit B-1, p. 6-71.

LGS and MGS new account rates as compared to the amount it would have been billed if charged using the acquired assets' baselines. BC Hydro's 100 percent Part 1 pricing proposal is consistent with the Commission's decision that BC Hydro not apply existing LGS and MGS new account rates to Sobeys.<sup>9</sup>

NIARG and FortisBC take no position on this issue.

AMPC and CEC support the proposed expedited review process.<sup>10</sup> BCOAPO and COPE support BC Hydro's proposal, but qualify their support on the condition that the effective date for BC Hydro's proposed Minimum Reconnection Charges be advanced to either December 1, 2015 or January 1, 2016.<sup>11</sup>

BCSEA supports in principle BC Hydro's proposed timetable with modifications to the deadlines to make them feasible. BCSEA also requests the Commission have this timetable apply to the Minimum Reconnection Charges proceeding.<sup>12</sup>

In reply, BC Hydro urges the Commission to reject conditioning of the 100 percent Part 1 pricing proposal review process and implementation date and submits that each rate proposal and requested implementation date should be adjudicated on its own merits.<sup>13</sup>

### **Commission determination**

The Panel agrees with BC Hydro regarding BCOAPO and COPE's submissions to make their support of BC Hydro's proposal to implement 100 percent Part 1 pricing for MGS and LGS customers without historical baselines contingent upon advancing the timing of the effective date of proposed Minimum Reconnection Charges. Determining an appropriate process to deal with a proposal is not a negotiation and each rate proposal needs to be judged on its own merits and requires due consideration of the issues and evidence in a manner that is open and fair to all parties.

**The Panel finds an expedited review process for MGS and LGS customers to be appropriate.** However, given the time constraints a decision by December 10, 2015 as proposed by BC Hydro<sup>14</sup> is not practical. Alternatively, IRs on this issue are to be included in the regulatory timetable already established in Order G-156-15, and further process concerning the review of BC Hydro's MGS and LGS customer pricing proposal is outlined in the following timetable:

Intervener Final Arguments	January 8, 2016
BCH Reply Argument	January 15, 2016
BCUC Order on or before	February 10, 2016

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<sup>9</sup> Exhibit B-2, pp. 4-5.

<sup>10</sup> Exhibit C12-2, p. 2; Exhibit C1-2, p. 2.

<sup>11</sup> Exhibit C2-2, p. 2; Exhibit C4-2, p. 2.

<sup>12</sup> Exhibit C3-2, pp. 2-3.

<sup>13</sup> Exhibit B-3, p. 4.

<sup>14</sup> Exhibit B-3, p. 5.

#### **4.0 PROCESSES FOR FRESHET RATE PILOT FOR TRANSMISSION SERVICES CUSTOMERS**

BC Hydro proposes a freshet rate pilot for 2016 implementation. This proposal is structured as a two-year pilot resulting from 1.5 years of stakeholder engagement and eligible customers would include approximately 140 RS 1823 customers. BC Hydro proposes a streamlined reviewed process (SRP) on January 19, 2016 and requests a Commission decision by February 1, 2016.<sup>15</sup>

No parties oppose BC Hydro's proposed expedited review, although BCOAPO and COPE condition their position on the proviso that the Minimum Reconnection Charges are also expedited and implemented by December 1, 2015 or January 1, 2016.<sup>16</sup>

COPE also submits that while it "is sceptical of the utility of a freshet rate without significant controls in place to ensure industrial participants are not able to game the system to the detriment of others, the Union is not opposed to accelerated processes to deal with this and each of the other issues outlined above although it is unclear at this point whether an SRP or written process would be best."<sup>17</sup>

AMPC and CAPP support BC Hydro's proposal.<sup>18</sup>

CEC supports the proposal, but submits that the freshet rate pilot be made available to General Service customers to ensure "non-discriminatory development of this opportunity."<sup>19</sup>

In reply to CEC, BC Hydro submits that the legal test under sections 59(1 and 2) and 60(1) of the *Utilities Commission Act* is that "a rate must not be unduly discriminatory" and submits that if the Commission was to set a freshet rate for RS 1823 customers it is neither unduly discriminatory or unduly preferential. BC Hydro submits that the essence of the unduly discriminatory prohibition "is that similarly situated customers must be treated similarly." It states that General Service customers, for the purpose of freshet rate pilot servicing, do not have substantially similar circumstances to RS 1823 customers. BC Hydro further submits that the proposed freshet rate proposal is a two year pilot and notes that the issue of whether a pilot program limited to some specific customers can or should be considered discriminatory was dealt with by a US regulator and provided evidence in support of its position from a previous Large General Service rate application. Further, BC Hydro submits that extending the pilot from the 140 eligible RS 1823 accounts to the 203,000 General Service customers would be a very large extension of the pilot, and there is no evidence that General Service customers can meaningfully increase consumption during the freshet period.<sup>20</sup>

BC Hydro also submits that BCOAPO and COPE have not raised any substantive objections and again notes that there is no logical basis for their conditioning requests. It argues that the appropriateness of and timing of an expedited review of each rate proposal should be determined on its own merits.<sup>21</sup>

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<sup>15</sup> Exhibit B-3, p. 7, Exhibit B-2, p. 4.

<sup>16</sup> Exhibit C2-2, p. 3; Exhibit C4-2, p. 2.

<sup>17</sup> Exhibit C4-2, p. 2.

<sup>18</sup> Exhibit C12-2, p. 3; Exhibit C13-1, p. 2.

<sup>19</sup> Exhibit C1-2, pp.2-3

<sup>20</sup> Exhibit B-3, p.6 and Attachment 1.

<sup>21</sup> Exhibit B-3, p. 6.

## Commission determination

**The Panel approves the expedited SRP process as proposed by BC Hydro**, noting that no intervenor objects. The Panel has previously determined that it is inappropriate to couple support for one proposal in exchange for another when those proposals concern process. However, putting aside the coupling proposed by BCOAPO and COPE, the Panel agrees with BC Hydro that neither party have raised any substantive objection to its proposal.

The Panel makes no determination on CEC's request for the inclusion of General Service customers at this time. This issue can be addressed further at the SRP.

**With regard to the timing of the SRP, the Panel has scheduled January 19-20, 2016. This will allow sufficient time for review of this issue, in addition to review of further issues discussed below.**

## 5.0 PROCESS FOR PRICING PRINCIPLES FOR RATE SCHEDULE 1823 AND OTHER EXISTING TRANSMISSION SERVICE RATES

BC Hydro submits that the Commission should decide that the existing transmission service rates be the subject of an expedited review that includes a SRP as the final step as soon as practicable.<sup>22</sup> AMPC and CAPP support an expedited review process for RS 1823 pricing principles and take no position on the other existing transmission service rates.<sup>23</sup>

CEC submits that an expedited review process for establishing pricing principles for RS 1823 should be adopted by the Commission and recommends a SRP for that purpose.<sup>24</sup>

BCSEA does not object to BC Hydro's expedited review process for all existing transmission service rates (Exhibit C3-2).

BCOAPO submits that it expects to be in a better position to formulate its position on this issue after receipt of BC Hydro's first round IR responses.<sup>25</sup> BCOAPO supports an expedited review process for the remainder of the existing transmission service rates.<sup>26</sup>

COPE does not oppose an expedited review process for the existing transmission service rates, but restates its condition that BCOAPO's request regarding the Minimum Reconnection Charges implementation date(s) be granted.<sup>27</sup>

## Commission determination

With the exception of BCOAPO's position on pricing principles for RS 1823, no party objects to BC Hydro's proposal for an expedited process, with the date for a SRP to be determined at the January 12, 2016 procedural conference. **Accordingly, the Panel is satisfied that a SRP is the appropriate process for the joint review of BC Hydro's proposed pricing principles for existing transmission service rates, excluding RS 1823, and directs that this issue be reviewed at the SRP on January 19-20, 2016.**

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<sup>22</sup> Exhibit B-3, p. 8.

<sup>23</sup> Exhibit C12-2, p. 3; Exhibit C13-1, p. 2.

<sup>24</sup> Exhibit C1-2, p. 3.

<sup>25</sup> Exhibit C2-2, p. 3.

<sup>26</sup> Exhibit C2-2, p. 3.

<sup>27</sup> Exhibit C4-2, p. 2.

BCOAPO submits that it will be in a better position to provide an opinion on an expedited process for RS 1823 pricing principles after responses to IR No. 1. Accordingly, the Panel invites BCOAPO to provide further submissions on process for RS 1823 pricing principles at the procedural conference. If there is agreement that a SRP is appropriate for the review of BC Hydro's proposed pricing principles for RS 1823, that review can be combined with the review of proposed pricing principles for other transmission service rates in the SRP tentatively scheduled for January 19-20, 2016.

## **6.0 PROCESS FOR MINIMUM RECONNECTION CHARGES**

BC Hydro proposes an April 1, 2016 implementation date for a revised Minimum Reconnection Charge. It submits that this appropriately balances the need to recognize Minimum Reconnection Charge cost underpinnings with the identified impact to net income if implementation occurs prior to this date.<sup>28</sup>

BCOAPO makes the following submission:

the amount of the current MRC is clearly a fairness issue since the current charge of \$125.00 plus GST no longer reflects BC Hydro's actual costs to reconnect a customer—it is important to reiterate that the Reconnection Charge was approved by the Commission as a cost-based charge in the 2007 RDA.

BCOAPO does not accept BC Hydro's argument that the \$950,000 reduction in net income for 2015/16 is a valid reason to maintain in full force and effect the high MRC for another six months. The current MRC is unjust and unreasonable, and no longer reflects BC Hydro's cost to reconnect customers. This charge should be replaced as quickly as possible by a lower MRC so that low income BC Hydro residential customers are not required to continue paying a charge in order to prevent a revenue shortfall. We also note that \$950,000 is less than 0.2% of BC Hydro's 2014/15 net income of \$581 million.<sup>29</sup>

BCOAPO submits that there is a cost of service basis for having an expedited process to reduce the Minimum Reconnection Charge and that "It would be unjust and unreasonable for the provincial government to profit from higher than cost reconnection charges until April 1, 2016 when it seems entirely possible that a reduced MRC could be in place by January 1, 2016."<sup>30</sup>

COPE also requests a December 1, 2015 implementation date and submits it:

is not prepared to delay an expedited process where BC Hydro is over collecting on its costs in this one area simply to compensate for general revenue shortfalls. Although there are doubtless some ratepayers who incur this charge due to carelessness, it is fair to say that the majority of people who are disconnected incur this charge because they are having money troubles or because they are low and fixed income ratepayers. The Union does not believe it is appropriate to purposefully delay a process that would properly calibrate this cost because it is convenient to delay relief to our province's most economically and politically vulnerable populations.<sup>31</sup>

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<sup>28</sup> Exhibit B-3, p. 9.

<sup>29</sup> Exhibit C2-2, p. 3

<sup>30</sup> Exhibit C2-3, pp.2-3.

<sup>31</sup> Exhibit C4-2, p. 3.



Like BCOAPO and BCSEA, COPE submits that a written process calibrated to allow for a December 1, 2015 implementation date if successful on this matter would be appropriate.

BCSEA and NIARG support an implementation date of January 1, 2016.<sup>32</sup>

In reply, BC Hydro points out that if the Minimum Reconnection Charges are implemented January 1, 2016, it will not be left whole in terms of its 2016 revenue requirements, and that the interveners proposing a January 1, 2016 implementation date have not adequately addressed this concern.<sup>33</sup>

### **Commission determination**

The Panel acknowledges BC Hydro's concern about being left whole in terms of its 2016 Revenue Requirement. BC Hydro's rates are set until the end of this fiscal year and amending them now is not normal regulatory practice. However, we agree that the Minimum Reconnection Charge issue should be addressed as soon as is reasonably practical.

**Accordingly, the Panel orders the Minimum Reconnection Charge to be set at the proposed rate of \$30/meter, and other proposed charges as proposed in Table 8-3 in the Application on an interim basis, effective December 1, 2015. The Panel also approves a new deferral account, the Minimum Reconnection Charge deferral account and directs BC Hydro to record the difference between the reconnection charges collected at the interim rate and the reconnection charges that would have been collected had they been billed at the current rate, in the period December 1, 2015 through March 31, 2016, for recovery in rates in F2017.**

This approach keeps BC Hydro whole, while providing relief to customers incurring Minimum Reconnection Charges. Deferring the recovery of the deferred expenses potentially introduces an element of intergenerational inequity. However, in the Panel's view this is mitigated by the relatively small quantum of the deferred amount and the fact that it will be collected in the following year.

## **7.0 OTHER MATTERS**

### **7.1 Smart Meter Choices Program Charges**

The following ten interveners argued that the Meter Choices Program charges should be reviewed in this proceeding:

C17-1	Gary Lybeck
C19-1	Jayne Priest
C21-1	Janis Hoffman
C23-1	Bob Tucker
C24-1	Sherry Ridout
C25-1	Lori Hoffmann
C28-1	Sharon Noble
C31-1	Bruce Edwards
C32-1	Jim Ervin
C34-1	Ethelyn Rankin

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<sup>32</sup> Exhibit C4-2, p. 3; Exhibit C3-2, p. 4; Exhibit C22-2, p. 3.

<sup>33</sup> Exhibit B-3, p. 10.

BC Hydro “respectfully requests that the Commission determine that Meter Choices Program charges are out of scope for purposes of 2015 RDA Module 1, and that the Commission render a decision on this matter shortly after the filing of written reply submissions on October 26, 2015 so that parties have clarity going forward.” BC Hydro submits that the Meter Choices Program charges were recently reviewed and set by the Commission. In that proceeding, BC Hydro notes that there were 35 interventions and 152 interested parties registered in the 2013/2014 Meter Choices Program regulatory review, with over 1,000 IRs and a review process spanning seven months from the October 2013 application filing to the April 2014 Meter Choices Program Decision.

BC Hydro also submits that “if the Commission decides that Meter Choices Program charges are in scope, there is no principled basis to resist review of other rates recently reviewed and set by the Commission, including the May 2014 decision concerning RS 3808 (the BC Hydro-FortisBC Inc. Power Purchase Agreement), the July 2014 and July 2015 decisions regarding RS 1289 (Net Metering Service); and the July 2015 decision approving RS 1280, RS 1891 and Tariff Supplement No. 86 (Shore Power Rates).”<sup>34</sup>

### **Commission determination**

The Panel agrees that there is no compelling reason to revisit the Meter Choices Program rates at this time. The current rates have been recently set and the Panel finds that there is no evidence in support of reviewing them again at this time. **Therefore, in the interests of creating regulatory efficiency, the Panel determines that issues relating to the Meter Choices Program are out of scope in the review of BC Hydro’s Rate Design Application.**

## **7.2 Low Income Rate Proposals**

BCOAPO states that:

[w]e intend to lead evidence, including expert evidence, about the need for BC Hydro to offer a suite of bill affordability measures for its low income residential customers. The measures we will propose through the expert evidence include lifeline rates, emergency bill assistance for customers facing disconnection, and terms and conditions specific to low income customers, such as waiver of reconnection and late payment fees and flexible arrears payment arrangements.

As BC Hydro’s next Rate Design Application will likely not be filed before 2020 (and possibly much later) it is critical that we present this evidence in Module 1 of the RDA so that the Commission can direct BC Hydro to implement such measures in the near future.<sup>35</sup>

BC Hydro supports BCOAPO’s position that its low income rate proposals need to be on the record through an intervenor evidence process prior to any Commission jurisdictional decision and that the timing for filing of intervenor evidence, the review process for such evidence, and any BC Hydro rebuttal should be one of the matters discussed at the procedural conference scheduled for January 12, 2016.

### **Commission discussion**

The Panel agrees the process for review of this issue is a matter for discussion at the procedural conference. Parties will be provided the opportunity to make submissions on how to deal with this issue at that time.

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<sup>34</sup> Exhibit B-3, pp. 10-12.

<sup>35</sup> Exhibit C2-2, pp. 4-5.

## **7.3 Intervener status**

### **7.3.1 Interest in the Meter Choices Program**

The ten interveners proposing that the Meter Choices Program costs be reviewed also appear to provide this issue as the sole basis of their intervention. For example, Mr. Lybeck cites the fact that he “and many, many others have complained about the legacy fees and the failed installation fees”; Ms. Priest states that her “complaints concern BC Hydro’s Legacy Meter charge, but other concerns may arise after reviewing the application”; Ms. Hoffmann submits that “[a]s a customer who has experienced the unexplained over-billings and outrageous legacy fees, I would like to register as an Intervener so I can express my concerns.”<sup>36</sup>

BC Hydro opposes these ten intervention applications, arguing that the Meter Choices Program charges should be out of scope for purposes of 2015 RDA development given how recently the Meter Choices Program charges were reviewed and set by the Commission.<sup>37</sup> However, “BC Hydro would not oppose the ten intervention status applications referenced above if the intervention applications are amended to delete references to Meter Choices Program charges, and instead clearly identify the nature of the substantial interest in a substantial 2015 RDA issue (e.g. BC Hydro customer taking service under BC Hydro’s Residential Inclining Block (RIB) rate or other rate).”<sup>38</sup>

### **7.3.1 Roger Bryenton**

Mr. Bryenton provides the following as the basis for his request for intervener status:

- Rate Design Criteria - Revenue Requirements - embedded vs marginal cost approaches and problems with major expenses, forecasting expenses and cash flow (revenue). Determination of LRMC's under high growth- high debt scenario vs incremental growth. Problems with forecasting methodologies under high growth high debt scenarios. Necessity of Long-Term i.e. 20 to 30 year LRMC determination for major projects. Is the impending Site C project a “incremental”, “most cost-effective” (BC Hydro criteria) solution to electricity demand? The need for detailed examination and assessment “incremental” and “most cost-effective” solutions to meeting electricity demand.
- Accounting practices that capitalize interest costs rather than expense them as they are incurred. Accounting for major projects as expenses are incurred - annually, to examine the effect on LRMC.
- Risks of RDA errors and techniques.
- Cost of Service-Long term sensitivity of Costs to interest rates and debt financing, especially for large projects. Residential-major DSM expenses for electrically heated buildings, especially rental units. Necessity of programs where gas heat is not offered. Other programs and BCUC directions to BCH to move from “construction” - dams, to “conservation” - heat, comfort and service. Commercial and Industrial costs and programs involved in long-term shifts from high to low consumption. An attitude of cooperation, vs seller - buyer of power.
- Shift from “more growth” to “better use” of electricity as a social imperative. BCUC and BCH roles.

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<sup>36</sup> Exhibit C17-1, p. 1; Exhibit C19-1, p. 1; Exhibit C21-1, p. 1.

<sup>37</sup> Exhibit B-3, p. 11.

<sup>38</sup> Exhibit B-3, pp. 10, 13.

Mr. Bryenton also submits that his “anticipated involvement is substantial. I have over 30 years of experience with energy systems and analyses in BC and elsewhere. I have prepared a 6 page outline of issues to be addressed and perhaps as many as 20 BCUC directives for BCH’s action. I have referenced an analysis of BCH’s IRP that I performed as background material.”<sup>39</sup>

BC Hydro also opposes the intervention status of Roger Bryenton on the following grounds:

1. Mr. Bryenton has not shown that he has relevant information; and
2. Mr. Bryenton has not shown he intends to pursue any issue that is within the scope of the 2015 RDA.

BC Hydro submits that it is clear that “from sections 3, 4 and 6 of Exhibit C11-2 that under the guise of F2016 COS and LRMC-related issues, Mr. Bryenton seeks to use the 2015 RDA review as a long-term planning exercise with the objective of having the Commission find that Site C is not cost-effective and should be displaced by significantly increased levels of DSM such as 2013 Integrated Resource Plan (IRP) DSM Option 5 and/or geothermal resources.”<sup>40</sup>

### **Commission determination**

The Panel has reviewed the ten intervention applications and finds that these applications are based on an interest in the issue of Meter Choices Program fees. These applicants reference legacy meter charges or fees which the Panel takes to mean Meter Choices Program fees. In some cases applicants suggest that there may be other issues, but are not specific about exactly what issue(s) they intend to pursue.

As the Meter Choices Program fees have been found to be not in scope for this proceeding, these interveners therefore have not demonstrated that they intend to pursue any issue that is within the scope of the 2015 RDA. **Unless these interveners provide, by November 6, additional clarification on issues that they intend to pursue that are within the scope of this proceeding, their intervention status will be rescinded.**

The Panel has reviewed the submissions<sup>41</sup> of Mr. Bryenton and finds that he has also not demonstrated a substantial interest in a substantial issue that is within the scope of this RDA. The issues cited by Mr. Bryenton in his intervention request are issues that are more relevant to a revenue requirement proceeding or the review of an integrated resource plan. **Accordingly, Mr. Bryenton’s intervener status is also rescinded.**

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<sup>39</sup> Exhibit C11-1, p. 1.

<sup>40</sup> Exhibit B-3, pp. 13-15.

<sup>41</sup> Exhibits C11-2 and C11-3.