



ORDER NUMBER

F-1-18

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority
F2017 to F2019 Revenue Requirements Application

Application for Interim Participant/Assistance Cost Awards

BEFORE:

D. M. Morton, Commissioner / Panel Chair
D. J. Enns, Commissioner
K. A. Keilty, Commissioner

on January 3, 2018

ORDER

WHEREAS:

- A. On July 28, 2016, the British Columbia Hydro and Power Authority (BC Hydro) filed its Fiscal 2017 to Fiscal 2019 Revenue Requirements Application with the British Columbia Utilities Commission (Commission) requesting, among other things, final approval to increase rates by an average of 4.0 percent effective April 1, 2016, 3.5 percent effective April 1, 2017 and 3.0 percent effective April 1, 2018 (Application);
- B. By Order G-130-16A dated August 9, 2016 and Order G-144-16 dated September 7, 2016, the Commission established a regulatory timetable for the review of the Application;
- C. By Order G-7-17 dated January 20, 2017, the Commission established a written hearing process and a regulatory timetable setting out an option for BC Hydro to file rebuttal evidence and an option without consideration of rebuttal evidence;
- D. The regulatory timetable was further amended through Orders G-20-17 and G-50-17;
- E. BC Hydro's Final Argument and Intervener Arguments were submitted on May 23, 2017 and June 13, 2017, respectively, followed by a Reply Argument from BC Hydro on July 4, 2017;
- F. On November 8, 2017, BC Hydro requested certain amendments to its fiscal 2019 rates, in particular, BC Hydro seeks approval to:
 - 1. change its requested rate increase for fiscal 2019 from 3 percent to 0 percent, and
 - 2. maintain its 2018 Open Access Transmission Tariff rates for fiscal 2019 (Amended Application);

- G. On November 15, 2017, the Commission issued a letter to participants stating that it is prepared to award interim funding to all participants in this proceeding, should parties wish to file an application for interim Participant Assistance/Cost Award (PACA). On pages 214 to 215 of the transcript to the Procedural Conference on September 1, 2016, and in the Commission's letter dated November 21, 2017, the Panel stated that the Commission's 2007 PACA Guidelines, attached to Commission Order G-72-07, shall apply as the proceeding was established before August 31, 2016;
- H. The following Interveners filed interim PACA applications with the Commission with respect to their participation in the proceeding:

Date	Participant	Application
November 22, 2017	British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, Together Against Poverty Society and the Tenant Resource and Advisory Centre	\$80,609.90
November 23, 2017	Commercial Energy Consumers Association of BC	\$97,297.76
November 24, 2017	BC Sustainable Energy Association and Sierra Club of BC	\$91,633.76
December 21, 2017	Zone II Ratepayers Group	\$106,176.56

- I. The Commission reviewed the interim PACA applications in accordance with the criteria and rates set out in the PACA Guidelines attached to Commission Order G-72-07 and considers interim cost awards are warranted.

NOW THEREFORE pursuant to section 118(1) of the *Utilities Commission Act*, and for the reasons for decision attached as Appendix A to this order, the Commission orders as follows:

1. Interim PACA funding is awarded to the following interveners in the amounts listed in the table below for their participation in the British Columbia Hydro and Power Authority F2017 to F2019 Revenue Requirements Application:

Participant	Application	Award
British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, Together Against Poverty Society and the Tenant Resource and Advisory Centre	\$80,609.90	\$54,149.90
Commercial Energy Consumers Association of BC	\$97,297.76	\$74,481.12
BC Sustainable Energy Association and Sierra Club of BC	\$91,633.76	\$91,633.75
Zone II Ratepayers Group	\$106,176.56	\$45,099.60

2. BC Hydro is directed to reimburse the above-noted participants for the interim awarded amount in a timely manner.

DATED at the City of Vancouver, in the Province of British Columbia, this 3rd day of January 2018.

BY ORDER

Original signed by:

D. M. Morton
Commissioner

Attachment

British Columbia Hydro and Power Authority
F2017 to F2019 Revenue Requirements Application

Application for Interim Participant/Assistance Cost Awards

REASONS FOR DECISION

1.0 Introduction

The British Columbia Utilities Commission (Commission) received interim Participant Assistance/Cost Award (PACA) applications from four participants in the British Columbia Hydro and Power Authority (BC Hydro) Fiscal 2017 to Fiscal 2019 Revenue Requirements Application (Application) proceeding. The four participants are:

- BC Sustainable Energy Association and Sierra Club of BC (BCSEA);
- British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, Together Against Poverty Society and the Tenant Resource and Advisory Centre (BCOAPO);
- Commercial Energy Consumers Association of BC (CEC); and
- Zone II Ratepayers Group (Zone II).

In its review of the PACA applications, the Panel took into consideration the PACA Guidelines attached to Commission Order G-72-07.

2.0 PACA Guidelines

The PACA Guidelines set out the eligibility requirements and criteria used in assessing cost awards, including the process for applying for a cost award and eligible costs and rates.

The Panel first considers whether the participant has a substantial interest in a substantial issue in the proceeding in determining an award of all or any portion of a participant's costs. Except in limited circumstances, it is expected that only ratepayer groups will establish a substantial interest in a substantial issue so as to be eligible for an award in a revenue requirements proceeding. The principal interest of ratepayer groups will be the rate impacts of the revenue requirements to be paid by the ratepayer participants.

The Panel then considers the following:

- (i) Will the participant be affected by the outcome?
- (ii) Has the participant contributed to a better understanding of the issues by the Commission?
- (iii) Are the costs incurred by the participant for the purposes of participating in the proceeding fair and reasonable?
- (iv) Has the Participant joined with other groups with similar interests to reduce costs?
- (v) Has the Participant engaged in any conduct that tended to unnecessarily lengthen the duration of the proceeding?
- (vi) Any other matters appropriate in the circumstances.

If the Commission considers it to be an appropriate consideration in a proceeding, the Commission may consider the participant's ability to participate in the proceeding without an award.

In exceptional circumstances, Section 3 of the PACA Guidelines provides that the Commission may approve interim cost awards to participants for the costs of retaining a consultant, expert witness/specialist or lawyer, under an accelerated approval process:

If an accelerated approval process is approved, one of the following reimbursement alternatives may be ordered.

- (a) reimbursement of a consultant's, expert witness/specialist's, or lawyer's approved invoice, or a portion thereof, that has been received after the regulatory proceeding has begun, but before the proceeding the proceeding has concluded; or
- (b) advance payment(s) not to exceed fifty percent of the higher of the amount actually paid by the participant and the Budget Estimate net of those items that may not be funded as per the advice from Commission staff pursuant to Section 2.

In the case of 3(b) above, the Participant would also be required to file an application under Section 2 at the conclusion of the hearing, and the approved award, net of the advance payments, would be payable as per Section 2.

3.0 Application for Interim Participant/Assistance Cost Awards

All four participants who submitted an application for an interim cost award submit that they qualify for an interim funding under the PACA Guideline's accelerated approval process as they have a need for financial assistance and this proceeding before the Commission has been lengthy.

BCSEA requests an interim cost of award of \$91,633.76 based on \$40,723.20 for legal counsel fees (20.2 days), \$17,456.25 for consultant fees (13.3 days), \$33,190.63 for expert witness fees (15.4375 days), and \$263.68 for disbursements, inclusive of applicable taxes.

BCOAPO requests an interim cost of award of \$80,609.90 based on \$55,944 for legal counsel fees (20.25 days), \$24,605 for consultant fees (13.3 days), and \$60.90 for disbursements, inclusive of applicable taxes.

CEC requests an interim cost of award of \$97,297.76 based on \$50,677.76 for legal counsel fees (16.16 days), and \$46,620 for consultant fees (24 days), inclusive of applicable taxes.

Zone II requests an interim cost of award of \$106,176.56 based on 75 percent of \$18,850 for legal counsel fees (9.35 days), and \$122,718.75 for consultant fees (93.50 days), inclusive of applicable taxes.

Commission determination

Given the delayed deliberation of this proceeding and the extension of the proceeding as a result of BC Hydro's Amended Application (Exhibit B-23), the Panel finds that exceptional circumstances apply and interim PACA cost awards under an accelerated approval process are warranted.

For the purpose of approving interim cost awards at this stage of the proceeding, the Panel finds that the number of funding days applied for in BCSEA, BCOAPO and CEC's interim PACA applications are not

unreasonable and approves them. The Panel considers that number of funding days applied for by Zone II for consultant fees to be significantly higher than the Panel's expectation at this time and accordingly, the Panel finds adjustments to Zone II's requests are necessary.

Regarding the percentage of the interim funding application to award, the Panel notes that interim funding is not normally provided at one-hundred percent of the amount applied for. However, given the length of the proceeding thus far and that there is still further process to come as established in the regulatory timetable set out in the Commission's letter dated December 13, 2017, the Panel considers it appropriate to approve the full amount of the interim cost awards as applied for net of any amounts that may not be funded when final PACA determinations are made.

During the September 1, 2016 Procedural Conference, the Panel determined that the Commission's old PACA Guidelines (the guidelines attached to Commission Order G-72-07) apply to this proceeding.¹ Therefore, the Panel adjusted the interim cost awards for BCOAPO and CEC in consideration of the applicable daily rates in the PACA Guidelines attached to Commission Order G-72-07, **and awards BCOAPO an interim funding amount of \$54,149.90, and CEC an interim funding amount of \$74,481.12, inclusive of applicable taxes and disbursements.** In consideration of Zone II's interim funding award, the Panel adjusted the number of funding days to twenty days for consultant fees and **awards Zone II an interim funding amount of \$45,099.60, inclusive of applicable taxes and disbursements.**

The Panel awards BCSEA the full amount of the interim cost award as filed, inclusive of applicable taxes and disbursements.

The Panel may make other adjustments to these interim awards when it makes its final PACA determinations in this proceeding.

¹ Transcript Volume 6, pp. 214–215.