



**ORDER NUMBER  
F-15-18**

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  
Participant Assistance/Cost Award Applications

**BEFORE:**

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

on April 26, 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 (BCUC) 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 Orders G-130-16A, G-144-16 and G-7-17 dated August 9, 2016, September 7, 2016 and January 20, 2017, respectively, BCUC established a regulatory timetable and a written hearing process for the review of the Application, which included two rounds of information requests (IRs) to BC Hydro, Intervener Evidence and IRs on that evidence, rebuttal and additional evidence from BC Hydro and IRs on that evidence, followed by final and reply arguments from all parties. The regulatory timetable was further amended through Orders G-20-17 and G-50-17 on February 17, 2017 and March 30, 2017, respectively;
- C. BC Hydro's Final Argument and Intervener Final Arguments were submitted on May 23, 2017 and June 13, 2017, respectively, followed by a Reply Argument from BC Hydro on July 4, 2017;
- D. On November 8, 2017, BC Hydro requested certain amendments to its fiscal 2019 rates, in particular, BC Hydro sought approval to:
  - (i) change its requested rate increase for fiscal 2019 from 3 percent to 0 percent, and
  - (ii) maintain its 2018 Open Access Transmission Tariff rates for fiscal 2019 (Amended Application);
- E. On November 15, 2017, BCUC 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 BCUC's letter dated November 21, 2017, the Panel stated that BCUC's 2007 PACA Guidelines, attached to BCUC Order G-72-07 dated and effective from July 5, 2007 (BCUC 2007 PACA Guidelines), shall apply as the proceeding was established before August 31, 2016;

- F. By Order G-171-17 dated November 27, 2017, BCUC established a regulatory timetable for the review of the Amended Application. The regulatory timetable was further amended through BCUC letters dated December 7, 2017 and December 13, 2017;
- G. By Order F-1-18 dated January 3, 2018, BCUC awarded interim PACA funding to the following interveners in the amounts listed in the table below:

Participant	Interim Award
BC Sustainable Energy Association and Sierra Club of BC	\$91,633.75
BC Old Age Pensioners' Organization <i>et al.</i>	\$54,149.90
Commercial Energy Consumers Association of BC	\$74,481.12
Zone II Ratepayers Group	\$45,099.60

- H. BC Hydro's Final Argument and Intervener Final Arguments regarding the Amended Application were submitted on December 21, 2017 and the period from January 11 to 16, 2018, respectively, followed by a Reply Argument from BC Hydro on January 19, 2018;
- I. On March 1, 2018, by Order G-47-18 with decision issued concurrently, BCUC approved BC Hydro's Application and Amended Application with certain exceptions as described in Sections 3.4.2, 3.4.4 and 5.1 of the Decision;
- J. The following participants filed PACA applications with BCUC with respect to their participation in the proceeding for the Application and Amended Application:

Participant	Total Application
Association of Major Power Customers of BC	\$148,540.00
BC Sustainable Energy Association and Sierra Club of BC	\$99,333.67
BC Old Age Pensioners' Organization <i>et al.</i>	\$88,358.78
Clean Energy Association of BC	\$81,900.00
Commercial Energy Consumers Association of BC	\$108,329.54
Non-Integrated Areas Ratepayer Group	\$41,193.60
Zone II Ratepayers Group	\$151,655.25

- K. By letter dated March 19, 2018 and on April 18, 2018, BC Hydro provided its comments on the PACA applications; and

- L. BCUC has reviewed the PACA applications in accordance with the criteria and rates set out in the PACA Guidelines attached to BCUC Order G-72-07 and BC Hydro's comments on the PACA applications, and makes the following determinations on cost awards.

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

1. Funding is awarded to the following interveners in the listed amounts for their participation in the BC Hydro F2017 to F2019 Revenue Requirements Application proceeding:

Participant	Total Application	Final Award	Interim Award	Remaining Payable
Association of Major Power Customers of BC	\$148,540.00	\$112,036.40	—	\$112,036.40
BC Sustainable Energy Association and Sierra Club of BC	\$99,333.67	\$99,333.67	\$91,633.75	\$7,699.91
BC Old Age Pensioners' Organization <i>et al.</i>	\$88,358.78	\$59,170.78	\$54,149.90	\$5,020.88
Clean Energy Association of BC	\$81,900.00	\$81,900.00	—	\$81,900.00
Commercial Energy Consumers Association of BC	\$108,329.54	\$85,512.90	\$74,481.12	\$11,031.78
Non-Integrated Areas Ratepayer Group	\$41,193.60	\$41,193.60	—	\$41,193.60
Zone II Ratepayers Group	\$151,655.25	\$68,311.10	\$45,099.60	\$23,211.50

2. BC Hydro is directed to reimburse the above-noted participants for the Remaining Payable amounts in a timely manner.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 26<sup>th</sup> day of April 2018.

BY ORDER

*Original signed by:*

D. M. Morton  
Commissioner

Attachment

British Columbia Hydro and Power Authority  
F2017 to F2019 Revenue Requirements Application  
Participant Assistance/Cost Award Application

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**REASONS FOR DECISION**

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**1.0 Introduction**

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 (BCUC) 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). On November 8, 2017, BC Hydro requested certain amendments to its Fiscal 2019 rates. In particular, BC Hydro sought approval to: (i) change its requested rate increase for Fiscal 2019 from 3 percent to 0 percent; and (ii) maintain its 2018 Open Access Transmission Tariff rates for Fiscal 2019 (Amended Application). By Decision and Order G-47-19 dated March 1, 2018, BCUC approved BC Hydro's Application and Amended Application with certain exceptions as described Sections 3.4.2, 3.4.4 and 5.1 of the Decision.

On pages 214 to 215 of the transcript to the Procedural Conference on September 1, 2016, and in BCUC's letter dated November 21, 2017, the Panel stated that BCUC's 2007 Participant Assistance/Cost Award (PACA) Guidelines, attached to BCUC Order G-72-07 dated and effective from July 5, 2007 (BCUC 2007 PACA Guidelines), shall apply as the proceeding was established before August 31, 2016.

Applications for PACA were received from seven participants with respect to their participation in the proceeding for the Application and Amended Application. The seven participants are as follows:

- Association of Major Power Customers of BC (AMPC);
- BC Sustainable Energy Association and Sierra Club of BC (BCSEA);
- BC Old Age Pensioners' Organization, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre (BCOAPO);
- Clean Energy Association of BC (CEABC);
- Commercial Energy Consumers Association of BC (CEC);
- Non-Integrated Areas Ratepayer Group (NIARG); and
- Zone II Ratepayers Group (Zone II).

The Panel, in its review of the PACA applications, took into consideration the PACA Guidelines set out in BCUC Order G-72-07 and BC Hydro's comments on March 19, 2018 and April 18, 2018.

**1.1 Interim PACA awards**

On November 15, 2017, BCUC issued a letter to participants stating that it was prepared to award interim funding to all participants in this proceeding, should parties wish to file an application for interim PACA. By Order F-1-18 dated January 4, 2018, BCUC awarded interim PACA funding to the following applicant interveners in the amounts listed in the table below:

Participant	Award
BC Sustainable Energy Association and Sierra Club of BC	\$91,633.75
BC Old Age Pensioners' Organization <i>et al.</i>	\$54,149.90
Commercial Energy Consumers Association of BC	\$74,481.12
Zone II Ratepayers Group	\$45,099.60

## 2.0 PACA Guidelines

The BCUC 2007 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 Panel will also consider other characteristics of the participant, including the scope and significance of the principal concerns of the participant.

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 BCUC?
- (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 BCUC considers it to be an appropriate consideration in a proceeding, BCUC may consider the participant's ability to participate in the proceeding without an award.

## 3.0 PACA Applications

The following table summarizes the PACA applications by the participants with respect to their participation in the proceeding for the Application and Amended Application:

Participant	Application
Association of Major Power Customers of BC	\$148,540.00
BC Sustainable Energy Association and Sierra Club of BC	\$99,333.67
BC Old Age Pensioners' Organization <i>et al.</i>	\$88,358.78
Clean Energy Association of BC	\$81,900.00
Commercial Energy Consumers Association of BC	\$108,329.54
Non-Integrated Areas Ratepayer Group	\$41,193.60
Zone II Ratepayers Group	\$151,655.25

### 3.1 AMPC, CEC and BCOAPO

AMPC is an industry association representing industrial companies operating across British Columbia, including pulp and paper, forestry, mining and petro-chemical operators. AMPC requests a cost award of \$148,540.00 based on \$84,252.00 for legal counsel fees (29.5 days), \$1,680.00 for case manager fees (3.0 days) and \$62,608.00 for consultant fees (26.0 days), inclusive of applicable taxes.

CEC is composed of members who are commercial class customers of BC Hydro. CEC requests a cost award of \$108,329.54 based on \$57,854.72 for legal counsel fees (19.72 days) and \$50,474.82 for consultant fees (26.937 days), inclusive of applicable taxes.

BCOAPO is a group of community-based organizations who collectively represent the interests of low and fixed income residential ratepayers in British Columbia. BCOAPO requests a cost award of \$88,358.78 based on \$62,843.20 for legal counsel fees (22.45 days), \$25,419.00 for consultant fees (13.74 days) and \$96.58 for disbursements, inclusive of applicable taxes.

BC Hydro submits that AMPC made significant contributions to the proceeding, particularly with regards to load forecasting and elasticity issues, and BCOAPO and CEC made inquiries and arguments regarding a broad range of issues which helped to establish a robust evidentiary record. BC Hydro notes, however, that AMPC and CEC submitted costs which are based on the PACA Guidelines attached to Order G-97-17 (BCUC 2016 PACA Guidelines), whereas BCUC has stated that since this proceeding was established before August 31, 2016, BCUC 2007 PACA Guidelines apply.<sup>1</sup>

#### *BCUC Determination*

With reference to BCUC 2007 PACA Guidelines, the Panel finds that AMPC, CEC and BCOAPO are eligible for PACA funding in this proceeding as they represent ratepayer groups with a substantial interest in a substantial issue. Each participant contributed to a better understanding by BCUC of the issues in the proceeding and the Panel finds that the description of work and time spent on the proceeding are reasonable.

However, the Panel notes the following about the participants' applications: i) AMPC and CEC applied for funding days which do not match the number of days invoiced with respect to legal counsel fees; and ii) certain

<sup>1</sup> BC Hydro comments on PACA applications, letter dated March 19, 2018, pp. 1-2.

AMPC, BCOAPO and CEC PACA funding amounts were applied for using the daily rates in BCUC 2016 PACA Guidelines.

In terms of the number of funding days, AMPC applied for 29.5 days for legal counsel, whereas 44.0 days were invoiced at various experience levels including students. CEC applied for 19.72 days for legal counsel, whereas 24.89 days were invoiced. In determining if the amount of time spent is reasonable, the Panel considers it appropriate to base this amount on the actual amount of time invoiced.

In terms of the daily rates, the Panel agrees with BC Hydro that, as previously stated, BCUC 2007 PACA Guidelines apply to this proceeding for all participants.<sup>2</sup>

For these reasons, the Panel adjusted the final cost awards for AMPC and CEC based on the invoiced number of days. The Panel further adjusted the final cost awards for AMPC, CEC and BCOAPO based on the daily rates available commensurate with the experience levels of the participants' respective legal counsel and consultants pursuant to BCUC 2007 PACA Guidelines. Therefore, **the Panel awards AMPC a cost award of \$112,036.40, CEC a cost award of \$85,512.90, and BCOAPO a cost award of \$59,170.78, inclusive of applicable taxes and disbursements.**

As described in Section 1.1 of these Reasons for Decision, after deducting the interim cost awards to CEC and BCOAPO, the Remaining Payable amount to CEC and BCOAPO are \$11,031.78 and \$5,020.88, respectively. The amount payable to AMPC is \$112,036.40 as no application for interim cost award was made.

### 3.2 Zone II

Zone II consists of Kwadacha Nation and Tsay Keh Dene Nation, which are two non-integrated First Nations communities taking electricity service from BC Hydro under BC Hydro's Zone II electricity rate schedules. Zone II requests a cost award of \$151,655.25 based on \$24,999 for legal counsel fees (12.4 days) and \$126,656.25 for consultant fees (96.50 days), inclusive of applicable taxes.

With respect to Zone II's PACA application, BC Hydro submits that Zone II made similar contributions to NIARG but is concerned that Zone II's application is "almost four times as high" and is the highest application amount put forward in this proceeding. Specifically, BC Hydro is concerned with the number of funding days applied for by Zone II as follows: 17 funding days to review the Application; 16 funding days for each of the two rounds of IRs; 8.5 funding days to respond to 40 IRs on intervenor evidence; and 6.5 days to review BC Hydro's Final Argument.<sup>3</sup>

#### *BCUC Determination*

The Panel finds that Zone II is eligible for PACA funding in this proceeding as it is a ratepayer group with a substantial interest in a substantial issue. As noted in section 1.1 of these Reasons for Decision, Zone II was awarded an interim PACA award of \$45,099.60. At the time, the Panel found that the number of funding days applied for by Zone II for consultant fees to be significantly higher than expected and adjusted the number of funding days awarded from 93.5 days to 20 days, noting that it may make other adjustments to interim awards when it makes its final PACA determinations.<sup>4</sup>

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<sup>2</sup> Order F-1-18, Appendix A, p. 3; Exhibit A-31-1; Transcript Volume 6, pp. 214—215.

<sup>3</sup> BC Hydro comments on PACA applications, letter dated March 19, 2018, p. 2.

<sup>4</sup> Order F-1-18, Appendix A, p. 3;

In making its final PACA determination, the Panel finds that Zone II contributed to a better understanding by BCUC to some of the issues in the proceeding. The Panel disagrees with BC Hydro that Zone II made similar contributions to NIARG, recognizing that Zone II filed intervenor evidence and responded to IRs on that evidence at an effort level similar to that of other participants who submitted intervenor evidence. Accordingly, the Panel finds that an additional ten funding days for consultant fees to Zone II's interim funding amount is warranted. The Panel takes no issue with the legal and consultant daily rates used by Zone II as applied for. **Therefore, the Panel awards Zone II a total cost award of \$68,311.10, inclusive of applicable taxes.** After deducting the interim payment amount of \$45,099.60, the Remaining Payable amount to Zone II is \$23,211.50.

### 3.3 BCSEA, NIARG and CEABC

BCSEA is a non-profit association of citizens, professionals and practitioners promoting the understanding, development and adoption of sustainable energy, energy efficiency and energy conservation in British Columbia. BCSEA requests a cost award of \$99,333.67 based on \$47,376.00 for legal counsel fees (23.5 days), \$18,375.00 for consultant fees (14.0 days), \$33,190.63 for expert witness fees (15.4375 days) and \$392.04 for disbursements, inclusive of applicable taxes.

NIARG is comprised of ratepayers in Zone IB and Zone II who are affected by BC Hydro's Application and Amended Application. NIARG requests a cost award of \$41,193.60 based on \$41,126.40 for legal counsel fees (20.4 days) and \$67.20 for disbursements, inclusive of applicable taxes.

CEABC is a not-for-profit industry association representing independent power products in British Columbia. CEABC requests a cost award of \$81,900.00 based on \$50,400.00 for legal counsel fees (25.0 days) and \$31,500.00 for consultant fees (24.0 days), inclusive of applicable taxes.

BC Hydro submits that it is BCUC's discretion as to the level of cost award to be made but notes the following: (i) BCSEA made significant contributions to BCUC's understanding of demand side management issues in the proceeding; (ii) NIARG contributed in particular to BCUC's understanding of access to demand side management programs in non-integrated areas; and (iii) CEABC contributed to BCUC's understanding of natural gas production in the Montney region of northeast British Columbia.

#### *BCUC Determination*

In its consideration of the PACA Guidelines, the Panel finds that BCSEA, NIARG and CEABC are eligible for PACA funding in this proceeding as BCSEA and NIARG are ratepayer groups and CEABC has a substantial interest in a substantial issue. The Panel agrees with BC Hydro and considers that the participants contributed to a better understanding of the issues in the Application and Amended Application. The description of work and time spent on the proceeding is reasonable and at daily rates that are in accordance with BCUC 2007 PACA Guidelines set out in BCUC Order G-72-07. Accordingly, **the Panel awards BCSEA, NIARG and CEABC the full amount of the cost awards as applied for, inclusive of applicable taxes and disbursements.**

After deducting the interim cost awards to BCSEA as described in section 1.1 of these Reasons for Decision, the Remaining Payable amount to BCSEA is \$7,699.91. No interim payments were made to NIARG or CEABC; therefore, the amounts payable to NIARG or CEABC are \$41,193.60 and \$81,900.00, respectively.