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# ORDER NUMBER F-20-20

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

and

British Columbia Hydro and Power Authority F2020 to F2021 Revenue Requirements Application Interim Participant Assistance/Cost Award Application

#### **BEFORE:**

D. M. Morton, Panel Chair A. K. Fung, Commissioner E. B. Lockhart, Commissioner R. I. Mason, Commissioner

on June 16, 2020

## **ORDER**

### WHEREAS:

- A. On February 25, 2019, the British Columbia Hydro and Power Authority (BC Hydro) filed its Fiscal 2020 to Fiscal 2021 (F2020–F2021) Revenue Requirements Application (Application) with the British Columbia Utilities Commission (BCUC) pursuant to sections 44.2, 58 to 61 and 99 of the *Utilities Commission Act* (UCA) requesting, among other things:
  - approval of a reduction of the Deferral Account Rate Rider from 5 percent to 0 percent effective April 1, 2019;
  - 2. approval of an increase in rates by 6.85 percent effective April 1, 2019;
  - 3. approval of an increase in rates by 0.72 percent effective April 1, 2020; and
  - 4. approval of the F2020–F2021 Open Access Transmission Tariff rates as set out in Table 9-8 of the Application effective April 1, 2019 and April 1, 2020, respectively;
- B. By orders G-45-19, G-146-19, G-218-19, G-268-19, G-279-19, G-312-19 and G-63-20, the BCUC established and later amended a regulatory timetable for the review of the Application, which includes, among other things, four rounds of information requests (IRs) to BC Hydro, intervener evidence and IRs on that evidence, rebuttal evidence and an oral hearing, followed by final and reply arguments from all parties, and an oral phase of argument, if required. By letter dated June 2, 2020, the Panel confirmed the oral phase of argument would take place as a web-based hearing and provided interveners and BC Hydro with the opportunity to submit written submissions regarding any issues arising from the web-based oral phase of argument;
- C. The Commercial Energy Consumers Association of British Columbia (CEC) registered as an intervener in the proceeding and, on May 19, 2020, filed an interim Participant Assistance/Cost Award (PACA) application

with the BCUC requesting \$280,061.70, inclusive of applicable taxes, with respect to its participation in the proceeding pursuant to the BCUC's PACA Guidelines (Interim PACA Application). CEC noted its interim cost award request is greater than its original PACA budget estimate;

- D. On June 1, 2020, BC Hydro provided its comments regarding the Interim PACA Application and stated, among other things, that it does not object to an interim cost award, but suggests the interim award be equal to CEC's original PACA budget estimate of \$190,443.75 and that any additional PACA award be explored during the final award review stage. CEC did not submit a reply to BC Hydro's comments; and
- E. The BCUC has reviewed the Interim PACA Application and the comments made by BC Hydro in accordance with the criteria and rates set out in the PACA Guidelines attached to Order G-97-17 and considers an interim cost award is warranted.

**NOW THEREFORE** pursuant to section 118(1) of the UCA, the BCUC orders as follows:

- 1. For the reasons outlined in Appendix A to this Order, an interim cost award to CEC in the amount of \$190,443.75 is awarded as an advance against the BCUC's final cost award determination after the conclusion of the proceeding.
- 2. BC Hydro is directed to pay CEC the amount of the interim cost award in a timely manner.

<b>DATED</b> at the City of Vancouver, in the Province of British Columbia, this	s 16 <sup>th</sup>	day of June 2020.

**BY ORDER** 

Original signed by:

D. M. Morton Commissioner

Attachment

# British Columbia Hydro and Power Authority F2020 to F2021 Revenue Requirements Application Interim Participant Assistance/Cost Award Application

## **REASONS FOR DECISION**

## 1.0 Introduction

On February 25, 2019, the British Columbia Hydro and Power Authority (BC Hydro) filed its Fiscal 2020 to Fiscal 2021 (F2020–F2021) Revenue Requirements Application (Application) with the British Columbia Utilities Commission (BCUC). The BCUC established and later amended a regulatory timetable for the review of the Application, which includes, among other things, four rounds of information requests (IRs) to BC Hydro, intervener evidence and IRs on that evidence, rebuttal evidence, an oral hearing, followed by final and reply arguments from all parties, and an oral phase of argument, if required. By letter dated June 2, 2020, the Panel confirmed the oral phase of argument would take place as a web-based hearing and provided interveners and BC Hydro with the opportunity to submit written submissions regarding any issues arising from the web-based oral phase of argument.

The Commercial Energy Consumers Association of British Columbia (CEC) is a registered intervener in the proceeding to review the Application and, on May 19, 2020, filed with the BCUC an application for interim funding (Interim PACA Application) pursuant to the BCUC's Participant Assistance/Cost Award (PACA) Guidelines. As part of the review process for the Interim PACA Application, BC Hydro was provided an opportunity to comment and CEC was provided an opportunity to reply to BC Hydro's comments. BC Hydro's comments were received by the BCUC on June 1, 2020 and CEC did not submit a reply.

After consideration of CEC's application for interim funding and the comments submitted by BC Hydro in accordance with the criteria and rates set out in the BCUC's PACA Guidelines, attached to Order G-97-17, the Panel found that an interim cost award was warranted.

# 1.1 Legislative Framework

Section 118 of the *Utilities Commission Act* (UCA) states that the BCUC may order a participant in a proceeding before the BCUC to pay all or part of the costs of another participant in the proceeding.

Order G-97-17 establishes the BCUC's PACA Guidelines. Section 5.0 of the PACA Guidelines specifies the application process, requirements, and considerations for assessing interim funding requests.

# 2.0 Interim PACA Funding for CEC

On July 11, 2019, CEC filed a PACA budget with the BCUC pursuant to the BCUC's PACA Guidelines, which estimated PACA funding of \$190,443.75, inclusive of applicable taxes, for its participation in the BC Hydro F2020–F2021 Revenue Requirements Application proceeding.

<sup>&</sup>lt;sup>1</sup> By Orders G-45-19, G-146-19, G-218-19, G-268-19, G-279-19, G-312-19 and G-63-20.

On May 19, 2020, CEC filed an Interim PACA Application requesting interim funding of \$280,061.70, inclusive of applicable taxes. CEC notes its interim cost award request is greater than its original PACA budget estimate due to, among other things, the complexity and magnitude of the Application exceeding what it had originally anticipated. CEC submits that the occurrence of the COVID-19 pandemic at the end of the review process for the Application also significantly impacted the time and effort required to develop its final submissions.<sup>2</sup>

On June 1, 2020, BC Hydro provided its comments regarding the Interim PACA Application and stated, among other things, that it does not object to an interim cost award, but suggests the interim award be equal to CEC's original PACA budget estimate and that any additional PACA award be explored during the final award review stage.<sup>3</sup>

## **BCUC** Determination

The final determinations on any PACA award are generally made upon application for cost awards after the proceeding, and considering the criteria noted in the PACA Guidelines. The criteria include, among other things, whether the participant has contributed to a better understanding by the BCUC of the issues in the proceeding.

In the Panel's view, it would be in a better position to make this determination after the conclusion of the proceeding and after the proceeding's final order and decision have been issued. This is consistent with the BCUC's target to issue final cost awards within 60 calendar days after the issuance of the proceeding's final order, decision or report. Given this and the need for an interim award based on the circumstances outlined in the CEC's Interim PACA Application, the Panel finds that an interim award is warranted for CEC. However, until the Panel can establish whether the CEC has contributed to a better understanding by the Panel of the issues in the proceeding, the interim award will be limited to the amount of PACA award as CEC originally budgeted. Therefore, the Panel awards CEC interim funding of \$190,443.75, inclusive of applicable taxes. This interim funding constitutes an advance against the Panel's final cost award determination after the conclusion of the proceeding. As such, the Panel will make a final determination on the amount of PACA for CEC upon receiving a final application for PACA after the conclusion of the proceeding.

<sup>&</sup>lt;sup>2</sup> Interim PACA Application, Cover Page, pp. 1–2.

<sup>&</sup>lt;sup>3</sup> BC Hydro's Comments dated June 1, 2020.

<sup>&</sup>lt;sup>4</sup> PACA Guidelines, Section 4.3(a).

<sup>&</sup>lt;sup>5</sup> PACA Guidelines, Section 14.2.8.