British Columbia Utilities Commission

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ORDER NUMBER
G-22-16

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
K. A. Keilty, Commissioner

on February 24, 2016

ORDER

WHEREAS:

A. British Columbia Hydro and Power Authority (BC Hydro) filed on September 24, 2015, pursuant to sections 58-61 of the *Utilities Commission Act,* the 2015 Rate Design Application (Application);

B. A procedural conference was held on January 19, 2016 by the British Columbia Utilities Commission (Commission) to hear procedural matters on the Application;

C. By letter dated January 21, 2016 (Exhibit B-10), BC Hydro submits that those Commission Staff identified by the Panel Chair at the commencement of the procedural conference should be established as Active Participants for any F2016 cost of service (COS) negotiated settlement process (NSP);

D. By Order G-12-16 dated February 1, 2016, the Commission established the regulatory timetable for the review of the Application, which includes an NSP for the cost of service study and rate class segmentation, to take place on March 7 and 8, 2016;

E. On February 11, 2016, the Commission issued a letter to all parties (Exhibit A-18) seeking submissions on certain matters relating to the upcoming NSP; one of which was BC Hydro's request that those Commission staff identified by the Panel Chair at the commencement of the procedural conference should be designated as Active Participants in the F2016 COS NSP;

F. Comments were received by the following parties:

- Commercial Class Energy Consumers Association of BC
- The British Columbia Old Age Pensioners Organization *et al*.
- British Columbia Sustainable Energy Association and Sierra Club of BC
- Movement of United Professionals
- Association of Major Power Customers of British Columbia
- Non-Integrated Areas Ratepayers Group

- Zone II Ratepayers Group (Kwadacha Nation)
- British Columbia Hydro and Power Authority
- Ministry of Energy and Mines
- FortisBC Energy Inc./FortisBC Inc.; and

G. The Commission considered all submissions and finds that a determination is necessary.

NOW THEREFORE for the reasons attached as Appendix A to this order, the British Columbia Utilities Commission denies BC Hydro's request that those Commission staff identified by the Panel Chair at the commencement of the procedural conference should be established by the Panel as Active Participants for the negotiated settlement process.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of February 2016.

BY ORDER

Original signed by:

D. M. Morton
Commissioner/Panel Chair

Attachment

British Columbia Hydro and Power Authority
2015 Rate Design Application

REASONS FOR DECISION
Role of Commission Staff in the Cost of Service Study Negotiated Settlement Process

1.0 BACKGROUND

On February 1, 2016, the British Columbia Utilities Commission (Commission) issued Order G-12-16 and directed that the issues related to the cost of service study (COSS) and rate class segmentation, in particular British Columbia Hydro and Power Authority's (BC Hydro) street lighting rate class proposal, will proceed to a negotiated settlement process (NSP) scheduled for March 7 and 8, 2016.

On February 11, 2016 (Exhibit A-18), the Commission requested all parties to provide comments on three specific matters relating to the NSP:

1) Confirmation from the parties who intend to participate in the NSP;
2) Submissions from registered interveners on BC Hydro's submission in its letter dated January 21, 2016. Specifically, BC Hydro states that those Commission staff identified by the Chair at the commencement of the procedural conference should be established by the Panel as Active Participants for any F2016 COS NSP in accordance with Part IV, section 1(iv) (a) of the NSP Guidelines; and
3) Comments on the specific issues related to the COSS and rate class segmentation including the street lighting rate class proposal that parties wish to have addressed in the NSP.

These Reasons address item no. 2 in the above list.

2.0 INTERVENER SUBMISSIONS

The Commercial Class Energy Consumers Association of British Columbia commented that the Commission would best utilize staff resources other than those staff identified at the procedural conference.

The British Columbia Old Age Pensioners Organization *et al*., Movement of United Professionals, and FortisBC Energy Inc./FortisBC Inc. do not oppose BC Hydro's view and the British Columbia Sustainable Energy Association and Sierra Club of BC support BC Hydro's position.

Association of Major Power Customers of British Columbia (AMPC) disagrees with BC Hydro's position with the following reasons:

- Commission Counsel expressing 'staff' view regarding the COSS at the procedural conference does not make staff active participants in an NSP;
- A procedural conference is not covered by the NSP Guidelines;
- Limitations on staff conduct should not be extended as a result of statements made in public hearings;
- Commission Counsel often express staff views at procedural conferences and those views have not led to restrictions on staff's future participation in the proceeding;

- BC Hydro now has the benefit of knowing one or more staff members opinion and ample opportunity to respond; and
- The only staff that should be designated as Active Participants are those that actually participate in the NSP process and come within the definition of Active Participants.

The Non-Integrated Areas Ratepayers Group (NIARG) also disagrees with BC Hydro and states that it is appropriate for the Panel to exercise its discretion on this matter. NIARG states that the most crucial aspect is that the Panel clearly identify and establish the respective role of each participating Commission staff prior to the commencement of negotiations.

While BC Hydro provides no further comments to this issue, the majority of interveners recommend the importance of the clarification of Commission staff's participation at the NSP.

3.0 COMMISSION DETERMINATION

The Panel is not persuaded by BC Hydro that the staff identified at the procedural conference should be designated as Active Participants in the NSP. Instead, the Panel finds the arguments put forward by AMPC persuasive and that the NSP is a specialized process which is governed by specific guidelines[1] for conduct and participation. These guidelines only have application once the decision to move forward with a NSP has been made. Since the decision to proceed with an NSP was not rendered until after the comments were made by Commission Counsel (and attributed to staff) we do not consider them to be relevant to a determination on the role a staff participant may take. Therefore, the Panel considers the decision to designate staff to perform participation roles as defined in the NSP Guidelines to be a matter at its discretion and comments resulting from other processes during the review of the Application have no bearing on any designations to be made.

[1] BCUC Negotiated Settlement Process Policy, Procedures and Guidelines dated February 2012