



Suite 101, 310 Ward Street, Nelson, British Columbia, V1L 5S4

• Phone: (250) 352-8212 • Facsimile: (250) 352-6417 •

June 13, 2014

BCUC Review Task Force
C/o Generation and Regulatory Branch
Electricity and Alternative Energy Division
Ministry of Energy and Mines
PO Box 9314 Stn Prov Govt.
Victoria, BC V8W 9N1

Via: e-mail
bcucreview@gov.bc.ca

Dear review committee members:

RE: Independent Review of the BC Utilities Commission

We appreciate the opportunity to provide input into your review process. We can offer the following comments.

The News release of April 28, 2014 indicates the Government wants the BCUC to resume its role setting BC Hydro rates.

We support the concept that BCUC should be the body reviewing and approving (or not) rates for BC Hydro as it does for the other regulated utilities.

ToR Scope Items referencing efficiency of hearing processes (e.g. Scope 2.d.v. and 3.d.)

Our main concern is that often the regulatory hearings are very complex. Often there are complex issues to be reviewed but complex hearings have the disadvantage of;

- Lengthy time lines to conclude,
- A regulatory expense that must be borne by the rate payers, and
- Preclude effective participation by “average residential” rate payers

To clarify our comment on the preclusion of the “average residential” rate payers; certainly any party, including a residential rate payer, can register as an intervener. The problem is what average resident can afford the time to review and competently intervene in a hearing? Often the issues are voluminous and complex enough that even the “sophisticated interveners” are hard pressed to stay on top of the hearing. A possible remedy might be that a regulatory advisor be appointed to represent and liaise with the smaller interveners who do not have the means to otherwise effectively participate in the hearing.

A possibility for managing the complexity of the hearings might be that the BCUC places a limit on the number of distinct issues an intervener can table. An intervener would therefore focus on only their top priorities.

A secondary concern of ours is that in the rate hearings it is easy to get focused on quantitative parameters such as rates. There are other aspects that are important as well such as Reliability, Safety, and Energy Conservation. Perhaps the Government could provide some guiding principles to help the BCUC weigh the value of these other factors? As an example it is tempting to value Demand Side Management programs at precisely the avoided cost of new generation. Probably DSM actually has a higher social value – but how much higher? Some guiding principles may help to quantify that and with the BCUC reviewing rates across the Province this would help keep these qualitative values reasonably level across the Province.

We support your initiative to seek greater efficiency in the regulatory process and think that this will help make utilities in BC more cost effective. We offer the above comments for your consideration and are available to discuss further if you wish.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Alexander Love', with a stylized flourish at the end.

Alexander Love
General Manager