

Recommendations of the Independent Review of the British Columbia Utilities Commission and Government Response

Governance:

1. Government's policy objectives and directives should be clear and understandable to ensure policy alignment by the commission.
 - Government will work with the BCUC to develop a memorandum of understanding that will ensure there are appropriate processes, and clear roles and responsibilities between the Province and BCUC.
2. When issuing directions to the commission, the task force recommends the following guidelines:
 - Directions should not dictate specific outcomes or intrude into the BCUC's consideration of individual applications.
 - Directions should be timely and issued before proceedings begin.
 - Policy statements are not necessarily legally binding. Where a policy is to be mandated it should be made in a legally effective way, such as a directions under section 3 of the Utilities Commission Act.

When setting energy policy, government will work to ensure that it is sufficiently clear.

3. Government should consider updating both the Energy Plan and the Clean Energy Act to ensure they are consistent with current government policies.
 - Government will consider this recommendation as part of its planning for the Spring 2016 legislative session.

Legislative Framework:

4. The Utilities Commission Act should be amended to clarify the commission's ability to forebear, or decline to regulate, in specified circumstances.
5. Amendments to the definition of "public utility" should be considered to exempt services and facilities where commission regulation is not warranted.
6. The existing exemption processes should be streamlined by requiring a Minister's Regulation for all exemption proposals, rather than Cabinet approval for some.
7. Government should review and amend the energy objectives in the Clean Energy Act to reduce conflicts among them, and between them and the Utilities Commission Act.

8. The requirement, unique to BC Hydro, in the Utilities Commission Act that the commission “must consider and be guided by” the Clean Energy Act energy objectives should be changed to a requirement that the commission “must consider” the energy objectives, just as it does for all other utilities.
 - Government will consider these recommendations as part of its planning for the Spring 2016 legislative session.

Commissioners:

9. The recruitment process for the BCUC needs to be changed dramatically. Higher compensation must be offered and the chair must be actively involved in recruiting candidates with recognized expertise that meets the needs of the BCUC at the time of hiring.
 - The Ministry of Energy and Mines and the Board Resourcing and Development Office (BRDO) and the Public Sector Employer’s Council (PSEC) will work with the BCUC chief executive officer to develop options to improve the recruitment and appointment processes for BCUC commissioners, consistent with government’s compensation policy and direction.
10. Two full-time commissioners, in addition to the chair, with recognized and relevant experience, should be added as soon as possible.
11. The number of part-time commissioners should be reduced to the point they approximate the number of full-time commissioners.
 - The Ministry of Energy and Mines and BRDO will work with the BCUC chair to develop options to improve the recruitment and appointment processes for BCUC commissioners.

Staff Remuneration:

12. Government should continue to approve BCUC’s compensation framework but increase compensation levels in line with market levels so the BCUC is competitive in recruiting and retaining qualified individuals.
 - The Ministry of Energy and Mines and PSEC will work with the BCUC chief executive officer to develop options to improve the BCUC’s ability to recruit and retain staff, consistent with government’s compensation policy and direction.

Guidelines and Policies:

13. The BCUC should periodically review existing guidelines and policies to ensure they remain useful, effective and up to date. In particular, the BCUC should improve or issue minimum content guidelines for common applications such as facility and revenue requirement applications.

- Government accepts this recommendation and will request that the BCUC address this recommendation in a publicly available implementation plan.

Scoping or Defining Issues in Proceedings:

14. The BCUC should work with applicants and stakeholders early in a hearing process to define the issues in the proceeding.

- Government accepts this recommendation and will request that the BCUC address this recommendation in a publicly available implementation plan.

Information Requests:

15. All proposed information requests from BCUC staff and consultants should be reviewed by senior staff, by legal counsel, and possibly the Panel.

- Government accepts this recommendation and requests that the BCUC consider this and other options to reduce the number and increase the relevance of information requests.

Intervener Participation:

16. The BCUC should formalize its policies on granting intervener status and publish them.

- Government accepts this recommendation and requests that the BCUC implement it.

17. Government should not establish an independent consumer advocate.

- Government accepts this recommendation.

18. Participant Assistance/Cost Award Guideline per diem rates and interim award policies should be reviewed.

- Government accepts this recommendation and will request that the BCUC address this recommendation in a publicly available implementation plan.

19. When appropriate, the BCUC should use its authority under section 116 of the Utilities Commission Act to retain counsel to act on behalf of underrepresented interests.

- Government accepts this recommendation and requests that the BCUC implement it.

20. Section 116 of the Utilities Commission Act should be amended to remove the need for the Attorney General's approval when the commission hires counsel to represent underrepresented interests.

- Government will consider this recommendation as part of its planning for the Spring 2016 legislative session.

Application Cycle (Turnaround) Times:

21. The BCUC should develop performance targets for key application cycle times and report on them annually.

- Government accepts this recommendation and will request that the BCUC address this recommendation in a publicly available implementation plan.

Compliance and Reporting:

22. The BCUC should make additional efforts to ensure all compliance reports are necessary and useful, and eliminate the reporting requirement for those that are not.

23. The BCUC should place more responsibility on regulated entities to report, on an exception basis, deviations from forecasts that could affect costs and rates, instead of routine reporting.

24. The BCUC should reconsider the need for a separate Performance Monitoring, Conduct and Compliance group as the best way to manage the compliance reporting function.

- Government accepts these recommendations and requests that the BCUC implement them in consultation with regulated entities.

Executive Director Position:

25. An executive director/chief operating officer position should be restored and legislatively required.

- Government accepts this recommendation and requests that the BCUC proceed with restoring the executive director/chief operating officer position.

Government will also consider this recommendation as part of its planning for the Spring 2016 legislative session.

Capacity and Resource Needs:

26. The BCUC should develop a rolling three-year strategic and financial business plan with performance targets and use this as a vehicle to dialogue with stakeholders and the provincial government.

- Government supports this recommendation and will work with the BCUC to establish a strategic and financial business plan with performance measures and will ensure that this plan will be incorporated into the regular reporting relationship with government.

27. Any government compensation program that affects the BCUC should be designed so that it does not limit its ability to be competitive in recruiting and retaining staff.

- The Ministry of Energy and Mines and PSEC will work with the BCUC to develop options for improving the BCUC's ability to recruit and retain staff within government policy.

28. The BCUC's budgeting process should be transparent and ensure budgeted and planned expenditures are reflective of its operating environment.

- Government will ensure that any changes implemented will be incorporated into the regular reporting relationship with government.

29. The Province should partner with the BCUC on developing an information technology strategy and evaluate database search engines used by other regulators for application in British Columbia.

- Government supports the recommendation and the BCUC should work with the Ministry of Technology, Innovation and Citizens' Services to facilitate options and funding for improving BCUC information technologies.

Performance Measures:

30. In consultation with government and stakeholders, the BCUC should establish performance indicators and targets, including but not limited to application cycle times (recommendation #21), and report results on its website and in its Annual Reports.

- Government accepts this recommendation and requests that the BCUC implement it in conjunction with recommendation #26.

BC Hydro: A Different Regulatory Approach:

31. Government should make use of section 5 inquiries for projects and plans that it may otherwise wish to exempt.

- Government will consider making use of section 5 under the Utilities Commission Act when appropriate.

32. Government should confirm the commission's ability to undertake prudency reviews of the execution of exempted projects.

- Government confirms the commission's ability to undertake prudency reviews of exempted projects and will work with BCUC to determine if further clarity is required.

Investor Owned Water Utilities:

33. The regulation of private water utilities should remain with the Water Comptroller.

- Government accepts this recommendation.

Public Communication:

34. As time and resources permit, many of the detailed commission guidelines and policies should be condensed and published as pamphlets.

- Government accepts this recommendation and requests that the BCUC implement it.

35. For high profile decisions, the commission should consider issuing news releases and fact sheets to help the media and public understand the decisions.

- Government accepts this recommendation and requests that the BCUC implement it.