

**COMMERCIAL ENERGY CONSUMERS (the “CEC”)
INFORMATION REQUEST #2**

BRITISH COLUMBIA UTILITIES COMMISSION

**IN THE MATTER OF A PROPOSAL REGARDING A HERITAGE CONTRACT FOR
B.C. HYDRO’S EXISTING GENERATION RESOURCES AND REGARDING STEPPED
RATES AND TRANSMISSION ACCESS**

1. Please provide BC Hydro’s views on the Aquila Network Canada Inc.’s (“Aquila”) access principles and comment on the appropriateness of those access principles to an attempt to draft access principles for BC Hydro?
2. At the pre-hearing conference, BC Hydro’s counsel indicated that BC Hydro was reluctant to put forward access principles until rates were established as otherwise the access principles may be “blunt” and potentially subject to abuse and arbitrage. This comment is also made in response to CBT Energy IR No. 1.27.
 - a. Please describe the access principles BC Hydro had in mind in making these assertions.
 - b. Please provide in detail specific examples of abuse or arbitrage which might occur under the access principles BC Hydro had in mind in considering these problems.
3. In response to CBT IR No. 1-23, BC Hydro indicated that they wanted the broadest possible scope for input to the Commission as it considers the issues raised by paragraph 4 of the Terms of Reference. BC Hydro has now tabled its Further Proposal With Respect to Stepped Rates on June 27, 2003.
 - a. Please provide BC Hydro’s best effort at draft access principles which might work in the context of the June 27, 2003 BC Hydro proposal.
 - b. To the extent BC Hydro needs to make any assumptions with regard to rates in order to come up with this proposal, please provide the assumption and the basis for those assumptions.
 - c. To the extent BC Hydro is unable to complete draft access principles because of the absence of certain factors, please indicate what components of access principles are not available at this time as a result of the absence of such information.
4. Please provide any and all internal or external studies commissioned by BC Hydro in the past ten years which deal with the design of access principles for BC Hydro whether such studies or reports are presently utilized or supported by BC Hydro.

5. Please describe why transmission service could not be provided under the existing WTS tariff in the event that Commission issued an order authorizing such service?
 - a. Please detail why transmission service could not be provided through BC Hydro's existing distribution network contract whereby the power an IPP or broker sells to a BC Hydro customer would be treated as network resource. BC Hydro would credit the customer through the stepped rate price for the IPP/broker energy. Assume the IPP would pay for the interconnection to integrate with the system under the standard WTS provisions.
 - b. Under what conditions could this work and what changes would be required to make it work?
6. At the pre-hearing conference, BC Hydro's counsel indicated that BC Hydro's view was that access principles are dependent on specific rates.
 - a. Are access principles for transmission services dependent on existing bundled tariffs?
 - b. Please define what specific rate attributes directly affect the choice of which specific access principles. How do they vary and what are the choices?
7. Assuming a stepped rate tier 2 price equal to the cost of new supply and not equal to the one year Mid-C market price, in defining access to alternate supply for high-voltage customers:
 - a. What notice period would BC Hydro require before a customer could leave?
 - b. Would the potential of more customer load leaving than BC Hydro growth accruing create a revenue loss possibility?
 - c. Could revenue loss potential be eliminated if BC Hydro were empowered to schedule existing customers to periods where they could be absorbed within a year on a first come first exit basis?
 - d. Would it assist BC Hydro in managing exiting customers and potential revenue loss to have applications for the provisions of alternate supply, specifying the planned exiting load and load shape as well as duration?
 - e. Would there be any reason the approval to exit should not be automatic if the potential revenue loss is manageable?
 - f. In the event that an exiting customer fails to obtain alternate supply as planned and contracted, what level of penalty would BC Hydro believe to be appropriate to compensate for BC Hydro's potential problems in managing its obligations to serve others?
 - g. What transmission related ancillary service could be required to support an alternate supply source? If the alternate supply was deemed to be a network resource, should these ancillary service effectively be considered to be supplied as part of the network

service to the customers. What, if any, impact might this have on BC Hydro's costs relative to its cost of new supply portfolio options?

- h. What generation related ancillary services could be required to support an alternate supply source? Are these ancillary services within the existing network service and therefore covered in existing rates? At what rates could BC Hydro provide these? What, if any, impact might these rates have on BC Hydro's costs relative to its cost of new supply portfolio options?
 - i. What, if any, costs may be stranded by an exiting customers if exit is scheduled to match BC Hydro load growth?
 - j. What BC Hydro deferred charge accounts, if any, may be applicable to exiting customers and would BC Hydro anticipate charging the exiting customers for those upon exit?
 - k. Would a potential for revenue loss occur if the load factor of the portion of load provided from alternate supply was worse than the average before exit? Could a charge for this impact mitigate any potential loss?
 - l. Could BC Hydro provide customers considering alternate supply information on each of the impacts and charges required in the event of exit?
 - m. Could BC Hydro accommodate returning customers load immediately provided the amount is relatively small? At which level of returning load would BC Hydro anticipate a potentially cost premium for providing service. Under what conditions would it be impossible to serve a returning load?
 - n. What notice period for returning load would provide BC Hydro sufficient time to plan supply and make it available? Would it assist BC Hydro to be able to schedule returning load?
8. BC Hydro has access principles for public, municipal and other utilities.
- a. In what way were those principles dependent on rates, markets and/or other contingent issues?
 - b. Could these principles provide BC Hydro with a basis for providing access principles in this hearing? If not, what issues might be different and why?
 - c. Could these principles be expanded at this time to allow limited retail access as would appear to be the intent of the Energy Plan?