

Fred James

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February 4, 2020

Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

**RE: Project No. 1599020
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
CB Powerline Exemption Application (2019)
BC Hydro's Final Argument**

In accordance with the regulatory timetable established by Commission Order No. G-315-19, BC Hydro writes to provide this Final Argument in which it: (1) responds to a comment made by CB Powerline Ltd. (**CBP**) in its Final Argument about BC Hydro allegedly declining to provide service to Cosens Bay; and (2) provides comments on CBP's requested exemption from Part 3 of the *Utilities Commission Act (UCA)*.

(1) Response to CBP's comment about service to Cosens Bay

In its Final Argument, CBP states that:¹

Community members approached BCH to provide electrical service to the community; a community within BCH's service area. However, BCH declined to provide such service to the community citing both the small scale of the service area and that small scale coupled with construction costs would not allow BCH to maintain its standard rate base.

As more fully explained in its response to BCUC IR 1.1.3, BC Hydro remains open to working with CBP and the residents of Cosens Bay to provide service to their community, but the requirements of BC Hydro's Electric Tariff must be met and the service must be adequate, safe, efficient, fair and reasonable. CBP has not met the requirements of BC Hydro's Electric Tariff for BC Hydro to extend service to the Community of Cosens Bay.²

¹ CBP Final Argument, page 1.

² Exhibit C1-3, PDF page 6.

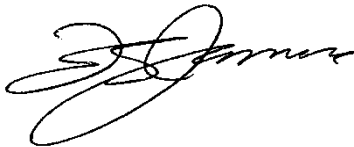
(2) Comments regarding exemption from Part 3 of UCA

BC Hydro does not oppose the exemption requested by CBP from Part 3 of the UCA; however, BC Hydro is of the view that, if such an exemption is granted, it should be qualified to allow for customers of CBP to make a complaint to the BCUC if they are dissatisfied with the service they are receiving from CBP or the rates, terms or conditions set in respect of the service provided.

BC Hydro notes that previous orders by the BCUC approving exemptions from some of the provisions of the UCA have generally preserved the BCUC's ability to order improved service if it finds, either after a hearing on its own motion or after receiving a complaint, that the service of the public utility is unreasonable, unsafe, inadequate, or unreasonably discriminatory (for example, section 25 and other related sections of Part 3 of the UCA). In those cases, the BCUC has determined that an exemption from all provisions of Part 3 of the UCA, except for those provisions that relate to complaints, has been adequate to ensure that the interest of the public has been maintained.

As such, BC Hydro is of the view that, if CBP's exemption request is granted, it should be conditioned such that it remain in effect until the BCUC, after a hearing on its own motion or after a hearing on a complaint by an interested person, orders that the exemption no longer applies. This would be consistent with previous orders approving exemptions, such as the orders granted to Templeton Designer Outlet Centre Limited Partnership,³ Bakerview EcoDairy Ltd.⁴ and Tolko Industries Ltd.⁵

Yours sincerely,



Fred James
Chief Regulatory Officer

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³ In Order No. G-131-15, the BCUC exempted Templeton Designer Outlet Centre Limited Partnership from Part 3 of the UCA except for sections 25, 38, 41 and 42. The BCUC also ordered that the exemption: "...remains in effect for Templeton LP until the Commission, after a hearing on its own motion or after a hearing on a complaint by an interested person for which sufficient notice has been given to the persons the Commission believes may be affected, orders that the exemption no longer applies."

⁴ In Order No. G-71-16, the BCUC exempted Bakerview EcoDairy Ltd. from Part 3 of the UCA except for sections 25, 38, 42, 43, 44 and 49. The BCUC also ordered that the exemption remains in effect until, among other things: "Further order of the Commission for reasons that may include the determination of any complaint the Commission receives from a person whose interests are affected, pursuant to section 83 of UCA."

⁵ In Order No. G-196-15, the BCUC exempted Tolko Industries Ltd. from Part 3 of the UCA except for sections 25, 38, 42 and 43. The BCUC also ordered that the exemption will: "remain in effect until further order of the Commission for reasons that may include the determination of any complaint the Commission receives from a person whose interests are affected."