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January 15, 2021

Ms. Marija Tresoglavic
Acting Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Tresoglavic:

**RE: Project No. 1599162
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Reconsideration and Variance of Directives Relating to Powerex Corp.
(Powerex) Net Income in the Fiscal 2020 to Fiscal 2021 Revenue
Requirements Decision**

BC Hydro writes in accordance with BCUC Order No. G-9-21 to provide its submission on the timing of the *de novo* hearing to review the issues and findings underlying Directives 17 and 17A in the BCUC's Decision on BC Hydro's Fiscal 2020 to Fiscal 2021 Revenue Requirements Application (**RRA**).

The BCUC has asked BC Hydro to address whether BC Hydro's submission on this matter should be filed by no later than April 1, 2021. BC Hydro had initially proposed, in the Reconsideration Application, to have the matter addressed as part of the Fiscal 2023 RRA. We heard, and acknowledge, the BCUC's desire to start this process sooner.

BC Hydro respectfully requests that the filing date for BC Hydro's submission be May 31, 2021. There are compelling considerations for a compromise position on timing. Further, an additional two months will not prejudice any parties or have any material impact on the timing of the BCUC's decision in this proceeding relative to the 2020 Transfer Pricing Agreement (**2020 TPA**) proceeding or the Fiscal 2023 RRA proceeding. Specifically:

- The issues being considered in this *de novo* hearing are complex and could require, among other things, a review of previous BCUC decisions, expert evidence and both public and confidential submissions. BC Hydro's submission will require significant resources and time from a number of senior employees at BC Hydro and Powerex. These employees are already involved in a number of significant regulatory proceedings including the current Fiscal 2022 RRA, the 2021 Integrated Resource Plan and preparation work for the Fiscal 2023 RRA to be filed this summer. A

May 31, 2021 filing date will provide us with the time necessary to properly, and comprehensively, address the important issues of this proceeding in our filing;

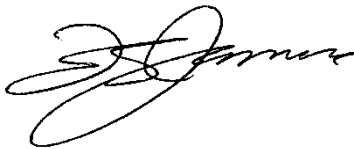
- As we indicated in the Reconsideration Application, we will also be using this time to engage the Government of B.C., which itself has a busy Spring agenda dealing with matters that are of public record; and
- At the January 11, 2021 hearing, the Panel expressed the importance of avoiding a situation where the 2020 TPA is in place for a prolonged period before the proceeding to review it concludes. To paraphrase, the BCUC's concern is avoiding a situation where the 2020 TPA becomes entrenched. BC Hydro also heard parties express a desire for this *de novo* hearing to conclude prior to BC Hydro filing its Fiscal 2023 RRA.

Relative to an April 1, 2021 filing date, a filing date of May 31, 2021, will not have a material impact on the resumption of the proceeding to review the 2020 TPA or the ability of the BCUC to ensure that the 2020 TPA receives a full assessment. With regard to the Fiscal 2023 RRA, even with an April 1, 2021 filing date, BC Hydro expects that reaching a decision prior to the Fiscal 2023 RRA being filed, is unlikely.

Overall, we respectfully submit that providing the time required for a proper and comprehensive submission, aligned with Government policy, is more important than getting the process started two months sooner. The BCUC and all stakeholders will be well-served by BC Hydro presenting a submission that is fully developed.

For further information, please contact Chris Sandve at 604-974-4641 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Fred James
Chief Regulatory Officer

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