



British Columbia

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VIA ELECTRONIC EMAIL

February 7, 2014

Janet Fraser  
Chief Regulatory Officer  
British Hydro & Power Authority  
333 Dunsmuir, Street 16<sup>th</sup> Floor  
Vancouver, B.C., V6B 5R3

Dear Ms. Fraser:

RE: Letter of support for BC Hydro's OATT Tariff and Enforcement Mechanism

The Commercial Energy Consumers (CEC) Association of BC has reviewed the BC Hydro OATT – Balancing Area Transmission Service Workshop Materials provided January 20, 2014 and the proposed Enforcement Mechanism. The CEC has the following comments.

The CEC's consultant was present in BC Hydro when the Alberta – BC intertie was established and was aware of the utility to utility understanding aimed at developing mutual benefits for both parties working on a cooperative basis. The CEC has been tracking the problems between Alberta and BC since Alberta has apparently taken a path of making unilateral decisions, which have undermined the mutual benefits basis for the intertie and the utility to utility cooperation process which used to govern the management of the intertie.

The CEC understands that after some considerable effort on BC Hydro's part to engage Alberta in working out solutions to the problems that it is now necessary for BC Hydro to independently take action to defend the intended BC benefits of the BC-Alberta intertie. The CEC understands that it will be necessary to have the issues formally addressed through the BC Utilities Commission in the form of proposals with respect to the OATT Balancing Area Transmission Service tariff and an Enforcement Mechanism to ensure that the appropriate mutual benefits intent of the BC-Alberta intertie is preserved.

The CEC understands that there may well be negative impacts for BC Hydro customers as a consequence of implementation of the proposed tariff changes and enforcement, until such time as the parties reset the relationship to a responsible balance. The CEC expects that such disruptions as will impact BC Hydro's customers are going to be necessary in the circumstances.

Consequently the CEC supports BC Hydro's efforts to bring proposed changes to the OATT Balancing Area Transmission Service tariff and proposals for an Enforcement Mechanism. The CEC looks forward to participating in the proposed regulatory process before the BCUC for the purpose of hearing BC Hydro's proposals.

Sincerely,

*David Craig*

David Craig

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