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BC Utilities Commission  
6<sup>th</sup> Floor – 900 Howe Street  
Vancouver, BC V6Z 2V3

**Attention:** Mr. Robert J. Pellatt  
Commission Secretary

Dear Sirs/Mesdames:

**Re: Amendments to BCUC Participant Assistant/Cost Award(“PACA”) – Guidelines**

The Joint Industry Electricity Steering Committee (the “JIESC”) hereby requests that the Commission amend its Participant Assistance/Cost Awards Guidelines in order to disallow PACA funding to would-be suppliers of services to utilities, such as See Breeze in the VITR proceeding, in the future.

The JIESC submits that it is inappropriate to award PACA funding to a disgruntled supplier of services to a utility. Cost awards are ultimately funded out of the relevant utility’s revenue requirement. For this reason PACA funds should be used solely to assist those acting in a manner that will benefit of customers, or those parties whose properties are directly affected by projects being proposed as important and in the customers’ and the public’s best interest. PACA funds should not be used to support the positions of competitors to the utilities, particularly when the nature of the competing project and the manner in which it has been advanced is detrimental to the interest of the customers.

The JIESC is concerned that the Sea Breeze cost award, \$251,724.94, the largest of any of the cost awards made in the VITR proceeding, sets a unfortunate and inappropriate precedent. If a utility’s “would be” suppliers for transmission or any other product, can complain to the Utilities Commission and set in motion a significant and expensive regulatory process, not only for themselves but for the Commission, the utility and other stakeholders, and receive a substantial cost award for doing so, the public interest is not well served.



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Sea Breeze became involved in the Vancouver Island Transmission reinforcement process for one purpose only; to maximize its commercial gain. It sought to do this by building one or more of its HVDC light proposals from the mainland to Vancouver Island and/or from Vancouver Island to the Olympic Peninsula, or alternatively, by having BCTC take over one or more of these projects and pay Sea Breeze a developer fee.

None of these alternatives had any significant merit, as was quickly discovered by the major customer intervenor groups; the JIESC and the BCOAPO early on in the proceedings, and was confirmed in the Commission's final Decision. BCTC had undertaken substantial consideration of the HVDC light option and dismissed it early on for what have now been confirmed as good reasons.

In the VITR case, Sea Breeze, through its application and through its role as an intervenor was unquestionably responsible for more than half of the hearing days and associated regulatory expense required for the determination of this matter. It is quite easy to imagine that the VITR proceeding, but for the participation of Sea Breeze and its aggressive approach, could have been over in two weeks at huge savings to BCTC, the BCUC and the customers. The JIESC and all other stakeholders paid substantial increased costs because of Sea Breeze's actions and accept that as part of regulation. However, BCTC's customers should never be expected to fund a competitor's challenge to the status quo with PACA funds. We cannot recall another occasion where this has happened, and it should not be allowed to happen again.

Yours truly,

Bull, Housser & Tupper LLP

A handwritten signature in cursive script that reads 'R. Brian Wallace'. The signature is written in dark ink on a white background.

R. Brian Wallace

RBW/sg/1461997