



Canadian Office and Professional Employees Union Local 378
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LF:COPE/ORG/BCUC/BCH

January 26, 2012

via email: Commission.Secretary@bcuc.com

BC Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, BC Canada V6Z 2N3

Attention: Alanna Gillis, Acting Commission Secretary

Dear Mesdames/Sirs:

**Re: Andrea Collins, the Citizens for Safe Technology Society and
British Columbia Hydro and Power Authority
- Complaint under Section 47 of the *Utilities Commission Act***

Please be advised that I am legal counsel for the Canadian office and Professional Employees' Union, local 378 (COPE 378). The Union wishes to comment with respect to this Complaint.

Although the *Clean Energy Act* limits the jurisdiction of the Commission in some respects in relation to enumerated BC Hydro contracts and capital projects, the Commission's powers and responsibilities remain intact beyond the boundaries of those legislated intrusions.

In the case of SMI, the limits imposed by the Act upon the Commission's jurisdiction are delimited by the terms of the *Smart Meters and Smart Grid Regulation*, B.C. Reg. 368/2010. BC Hydro does not require the Commission's approval in order to comply with the specifications set out in that Order in Council. However, if any aspect of the SMI program being implemented by BC Hydro deviates from the Regulation or extends beyond it – for example, by incorporating a feature or capability which is not specified in the Regulation – it requires regulatory approval in the normal course.

COPE 378 has concluded that the economic and operational justifications advanced by BC Hydro for the huge investment required to implement SMI ring hollow, and that any expenditures in excess of the bare minimum required in order to remain compliant with the Regulation should be disallowed by the Commission, as instances of throwing good money after bad. In fact, the entire undertaking has the appearance of a project in search of a rationale. With respect to any features or capabilities which are not shielded from regulatory oversight by the *Clean Energy Act*, we submit that Hydro bears the onus of proof that the net result is a prudent expenditure of ratepayer money and is in the public interest.

Thus, for example, Hydro bears the onus to demonstrate that its decision to implement a system which relies upon wireless technology, instead of the available alternative of a wire-based communication system, was cost-effective and fully in the public interest. The "public interest" is clearly a broad concept which can engage an array of social and other considerations, and affected parties who have concerns should have an opportunity to be heard with respect to that and other "add-on" features of SMI selected by Hydro.

We expect that some dimensions of this general question will also arise in the ongoing BC Hydro F12-14 Revenue Requirements proceeding.

We support the Complaint and urge the Commission to grant the relief sought therein.

All of which is respectfully submitted.

Yours truly,

A handwritten signature in black ink, appearing to read 'Jim Quail', with a stylized flourish at the end.

Jim Quail, Barrister & Solicitor
Legal Director

JQ:kmc usw2009

cc: BC Hydro attention Janet Fraser (via email: bhydroregulatorygroup@bhydro.com)
David Aaron, Barrister & Solicitor (via email: david@legalmind.ca)