



IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by British Columbia Hydro and Power Authority
for Approval of a Pilot Program for General Service Time-of-Use Tariff

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair) November 4, 1999
B.L. Clemenhagen, Commissioner)

O R D E R

WHEREAS:

- A. On October 28, 1999, British Columbia Hydro and Power Authority ("B.C. Hydro") applied to the Commission, pursuant to Sections 58 and 61 of the Utilities Commission Act ("the Act"), for approval of a new Electric Tariff, Rate Schedule 1267-General Service, Time-of-Use ("TOU") Rate as a pilot program effective from the date of Commission approval to March 31, 2001; and
- B. The TOU pilot program is proposed to be available to the first 500 customers who apply for service before April 1, 2000 and who are presently taking service under Rate Schedules 1200, 1201, 1211, 1277 and 1278, at 35 kW and over and who execute a TOU Agreement with B.C. Hydro identified as Tariff Supplement No. 50; and
- C. The Commission has reviewed the TOU pilot program application and finds that approval is necessary and in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for B.C. Hydro the TOU pilot program application covering the period November 5, 1999 to March 31, 2001, identified as Rate Schedule 1267-General Service, TOU Rate to be made available to the first 500 customers who apply for service prior to April 1, 2000 and who are presently taking service under General Service rate schedules at 35 kW and over.
2. Customers applying for service under the TOU pilot program must enter into a TOU Agreement with B.C. Hydro, identified as Tariff Supplement No. 50.

3. B.C. Hydro is required to file with the Commission an Evaluation Report on the TOU pilot program by May 31, 2001. In the Evaluation Report, B.C. Hydro is to respond to the questions listed in Appendix A of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 5th day of November 1999.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chair

Attachment

**British Columbia Hydro and Power Authority
General Service Time of Use Pilot Program
October 1999**

Evaluation of the Pilot Program

The following is a list of questions to be answered in the Pilot Program evaluation:

Program Impact Questions:

1. How many customers participated in the BCH-TOU Pilot program?
2. Which TOU option did customers pick?
3. What was the response to the TOU Pricing Options?
4. What were the total customer benefits of the TOU Pilot Program?
5. What were the total BC Hydro benefits of the TOU Pilot Program?

Next Step Questions:

1. Should BCH-TOU be offered permanently? What is the purpose of a permanent TOU program? Can a summer program be accommodated?
2. Which aspects of the BCH-TOU program can be improved?
3. Should BCH-TOU be expanded to other customer groups?
4. How can the evaluation results be used to assist with the development of other programs?

Pricing Questions:

1. How different were actual market prices from the forward prices used to derive TOU prices? What was the impact on BC Hydro Revenue?
2. How are the pricing periods and price levels derived from Mid-C impacted by transmission constraints?
3. Should a permanent program be structured to reflect B.C. Hydro's own costs of peak period generation, transmission and distribution or should generation and transmission prices reflect peak revenue opportunities available from export markets. What would be the difference in peak pricing?
4. How will a permanent program impact the appropriate revenue requirement collection from the commercial class and TOU commercial customers?
5. Should a permanent program be based on a revenue neutral initial pricing by customer or by class of customer?

Implementation Question:

1. Did BC Hydro adequately bill and meter customers on the Pilot Program?