



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 Transmission Service Time-of-Use Tariff

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair) December 23, 1999
B.L. Clemenhagen, Commissioner)

O R D E R

WHEREAS:

- A. On November 29, 1999, by Letter No. L-61-99, the Commission indicated that the issues of new B.C. Hydro industrial service options, including design and implementation, would be discussed at a Workshop to be held in Vancouver on December 14, 1999; and
- B. Following the December 14, 1999 Workshop, B.C. Hydro, on December 17, 1999, applied to the Commission for approval of a Pilot Program for Transmission Service Time-of-Use ("Transmission Service-TOU") rates and Rate Schedule 1850 that would be available on a trial basis from January 1, 2000 through March 31, 2001. Participants at the Workshop indicated that they would provide comments to the Commission by December 21, 1999; and
- C. The Application also requested amendments to B.C. Hydro's Rate Schedule 1880 to make it available to Rate Schedule 1850 customers as well as Rate Schedule 1821 or Rate Schedule 1848 customers; and
- D. Comments on the Transmission Service – TOU Pilot Program were received from the Joint Industry Electricity Steering Committee which supported B.C. Hydro's application; and
- E. The Commission has reviewed the B.C. Hydro Transmission Service – 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 Transmission Service-TOU Pilot Program Application covering the period January 1, 2000 to March 31, 2001, identified as Rate Schedule 1850 Transmission Service Time-of-Use (TOU) Pilot Program.
2. The Commission approves for B.C. Hydro the changes to Rate Schedule 1880 to make it available to Rate Schedule 1850 customers as well as Rate Schedule 1821 or Rate Schedule 1848 customers.
3. Customers applying for service under the Transmission Service-TOU Pilot Program must enter into a TOU (Transmission) Agreement with B.C. Hydro, identified as Tariff Supplement No. 52.
4. B.C. Hydro is directed to file an interim evaluation of the Transmission Service – TOU Pilot Program by September 15, 2000. A final evaluation of the program is required to be filed by B.C. Hydro by May 31, 2001. The Evaluation Reports should respond, at a minimum, to the questions attached to this Order as Appendix A.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of December 1999.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachment

**British Columbia Hydro and Power Authority
Transmission Service Time of Use Pilot Program
December 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 Transmission Service – 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 B.C. Hydro benefits of the TOU Pilot Program?
6. In B.C. Hydro's view, did any TOU participants engage in significant curtailments to take advantage of TOU peak or premium peak period pricing credits?

Next Step Questions:

1. Should Transmission Service – TOU be offered permanently? What is the purpose of a permanent TOU program?
2. Which aspects of the Transmission Service – TOU Pilot program can be improved?
3. 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 B.C. Hydro Revenue? How different were the Dow Jones forward prices from the Powerex forward prices used to derive TOU rates?
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. Should a permanent program be based on a revenue neutral initial pricing by customer or by class of customer?

Implementation Question:

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