



ORDER NUMBER

G-5-17

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority
2015 Rate Design Application

BEFORE:

D.M. Morton, Commissioner/Panel Chair
D. A. Cote, Commissioner
K. A. Keilty, Commissioner

on January 20, 2017

ORDER

WHEREAS:

- A. On September 24, 2015, the British Columbia Hydro and Power Authority (BC Hydro) filed with the British Columbia Utilities Commission (Commission), pursuant to sections 58-61 of the *Utilities Commission Act*, the first module of a rate design application (2015 RDA);
- B. In the 2015 RDA, BC Hydro sought approvals related to residential, general service and transmission service rates as well as approval to amend the terms and conditions in BC Hydro's Electric Tariff;
- C. By Order G-156-15 dated September 30, 2015 and Order G-166-15 dated October 14, 2015, the Commission established, among other things, a preliminary regulatory timetable for review of the 2015 RDA comprised of an initial round of information requests (IRs) and a procedural conference to be held on January 12, 2016, which was later adjourned to January 19, 2016;
- D. By Order G-175-15 dated November 3, 2015, the Commission determined, among other things, scoping issues related to the Cost of Service Study (COSS) as well as the review processes and timelines related to a number of expedited processes proposed by BC Hydro;
- E. The Commission also approved by Order G-175-15, for the Minimum Reconnection Charge to be set at \$30 per meter on an interim basis, effective December 1, 2015 and approved the establishment of a new deferral account for BC Hydro to record the difference between the reconnection charges collected at the interim rate and the reconnection charges that would have been collected had they been billed at the current rate for the period December 1, 2015 through March 31, 2016;
- F. On December 21, 2015, BC Hydro filed updated Electric Tariff Terms and Conditions;
- G. Subsequent to the procedural conference on January 19, 2016, the Commission issued Order G-12-16 which, among other things, included a regulatory timetable that allowed for a second round of IRs, the filing of an evidentiary update on load resource balance and long-run marginal cost, a timetable for the submission of

intervener evidence, one round of IRs on intervener evidence, and a deadline for BC Hydro's filing of rebuttal evidence. The Commission also established that the COSS and street lighting rate class segmentation would proceed by way of a single Negotiated Settlement Process (NSP);

- H. A Streamlined Review Process (SRP) was held on January 25, 2016, regarding BC Hydro's proposed freshet rate pilot and proposed pricing principles for existing transmission service rates. Following the SRP, the Commission issued Order G-17-16 and attached Reasons for Decision approving the proposed two-year freshet rate pilot with the rate being effective for the period of March 1, 2016 to October 31, 2017;
- I. By Orders G-16-16 and G-20-16 dated February 9, 2016 and February 19, 2016, respectively, the Commission approved amendments to certain medium general service (MGS), large general service (LGS) and transmission rate schedules;
- J. On March 7 and 8, 2016, an NSP was held in Vancouver. Subsequent to the NSP, on April 11, 2016, the Commission issued Order G-47-16 approving the Negotiated Settlement Agreement pertaining to BC Hydro's COSS and street lighting rate class segmentation;
- K. By Order G-50-16 dated April 13, 2016, the Commission amended the regulatory timetable and ordered that an oral hearing be held August 16 through 18 and August 23 through 24, 2016;
- L. By Order G-61-16 dated May 4, 2016, the Commission determined that the review of the Residential E-Plus rate design would proceed by way of a written hearing in accordance with the final argument phase of the 2015 RDA proceeding;
- M. The following interveners filed evidence in the proceeding: Commercial Energy Consumers Association of British Columbia; British Columbia Old Age Pensioners' Organization *et al.* (BCOAPO); and the E-Plus Homeowners Group;
- N. On July 6, 2016, BC Hydro filed rebuttal evidence in response to BCOAPO's intervener evidence;
- O. On August 4, 2016, BC Hydro filed an evidentiary update which included excerpts from its F2017-F2019 Revenue Requirements Application with respect to BC Hydro's load resource balance and long-run marginal cost of new supply;
- P. The oral hearing concluded on August 24, 2016 in Vancouver, and by Commission letter dated August 29, 2016, the Commission determined the schedule for final arguments, which provided for the following:
 - Filing of final arguments from BC Hydro (on orders it seeks from the Commission and the Commission's jurisdiction to approve rates specific to low-income customers) and BCOAPO (related to the orders it seeks from the Commission) on September 26, 2016;
 - Filing of interveners' final arguments and BC Hydro and BCOAPO final arguments in response to each other on October 11, 2016; and
 - Filing of BC Hydro and BCOAPO reply arguments (related to the orders it seeks from the Commission) on October 24, 2016;
- Q. The evidentiary phase of the proceeding closed on August 29, 2016, subject to the delivery of responses to outstanding Undertakings from the oral hearing; and

R. The Commission has considered the 2015 RDA and the evidence and submissions presented to it, including jurisdictional issues, and makes the following determinations.

NOW THEREFORE pursuant to sections 58-61 of the *Utilities Commission Act*, for the reasons outlined in the decision issued concurrently with this order, the Commission orders as follows:

1. The Residential Inclining Block (RIB) Pricing Principles for each of F2017-F2019 as described in section 5.2.5.1 of the 2015 Rate Design Application (RDA) are approved, effective April 1, 2017.
2. BC Hydro is directed to phase out the Residential E-Plus rate program over five years, commencing April 1, 2017. BC Hydro is directed to submit a compliance filing within 30 days of the date of this decision which outlines a proposal for achieving the five-year phase-out period of the E-Plus program and which results in rates being charged to E-Plus customers at the end of the five-year phase-out period that equate to other British Columbia residential customers at that time. BC Hydro is directed to waive the requirement of having an alternative heating system in working order and to eliminate the possibility of service being interrupted over the five-year transition period.
3. The Small General Service (SGS) rate proposal, as described in section 6.2.1 of the 2015 RDA, is approved effective April 1, 2017.
4. The Medium General Service (MGS) rate proposal, as described in section 6.3.1 of the 2015 RDA, and as shown in the draft tariff sheets in Appendix F-1E of the 2015 RDA, is approved effective April 1, 2017.
5. The Large General Service (LGS) rate proposal, as described in section 6.4.1 of the 2015 RDA, and as shown in the draft tariff sheets in Appendix F-1E of the 2015 RDA, is approved effective April 1, 2017.
6. The General Service – Control Group proposal, as described in section 6.7.2 of the 2015 RDA, and as shown in the draft tariff sheets in Appendix F-1E of the 2015 RDA, is approved effective April 1, 2017.
7. The General Service – Distribution Utilities proposal, as described in section 6.7.3 of the 2015 RDA, is approved effective April 1, 2017.
8. The Tariff Supplement No. 82 proposal, as described in section 6.7.1 of the 2015 RDA, is approved effective April 1, 2017.
9. The Rate Schedule 1823 F2017-F2019 Pricing Principles, as described in section 7.2.2 of the 2015 RDA, are approved effective April 1, 2017.
10. The Electric Tariff proposal, as shown in draft tariff sheets filed on December 21, 2015 as Exhibit B-1-1 and as amended by Appendix C of BC Hydro's Final Argument, is approved effective April 1, 2017.
11. BC Hydro is directed to file tariff sheets regarding the Electric Tariff proposal within 15 business days of the date of this order. BC Hydro is further directed to include the amended definition of "Radio-off Meter" as part of the amended Electric Tariff sheets as part of this filing.
12. BC Hydro is directed to file tariff sheets regarding the SGS, MGS and LGS proposals, and the General Service – Control Group proposal, 30 days prior to the effective date.
13. The Minimum Reconnection interim rate established by the Commission in Order G-175-15, are approved as permanent, effective April 1, 2017.

14. British Columbia Old Age Pensioners' Organization *et al.*'s (BCOAPO) request to establish an essential services usage block (ESUB) rate for qualified low-income ratepayers is denied.
15. The establishment of a pilot Crisis Intervention Fund is approved. BC Hydro is directed to prepare and file, within six months of the date of this order, a proposed crisis assistance pilot program for residential customers who have arrears with BC Hydro and are unable to pay their electricity bills. BC Hydro has indicated that it is prepared to work collaboratively with the low-income advisory group in the development of its proposal, and the Commission expects that it will do so.
16. BCOAPO's proposals to amend the Electric Tariff to exempt low-income customers from the minimum reconnection charge and account charge and to waive security deposits for low-income customers are denied.
17. BCOAPO's proposal to exempt low-income customers from late payment charges and the proposal to ban the use of external credit scores are denied.
18. BCOAPO's request for the Commission to recommend that BC Hydro be required to expand installs of its low-income Energy Conservation Assistance Program is denied.
19. BC Hydro is directed to provide an analysis to the Commission of the costs and benefits associated with BCOAPO's requested customer segmentation analysis and data collection and reporting within six months of the establishment of the low-income advisory group. BC Hydro has indicated it is prepared to work collaboratively with the low-income advisory group in this analysis, and the Commission expects that it will do so.

DATED at the City of Vancouver, in the Province of British Columbia, this 20th day of January 2017.

BY ORDER

Original signed by:

D. M. Morton
Commissioner/Panel Chair