



ORDER NUMBER

G-88-17

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority
Guarantees as an Alternate Form of Security for Residential Customers
Application to Amend Electric Tariff

BEFORE:

K. A. Keilty, Commissioner

on June 2, 2017

ORDER

WHEREAS:

- A. On April 10, 2017, pursuant to sections 58 to 61 of the *Utilities Commission Act*, the British Columbia Hydro and Power Authority (BC Hydro) filed an application with the British Columbia Utilities Commission (Commission) for approval to amend the Electric Tariff to allow residential customers to have another BC Hydro customer act as a guarantor to their account as an alternative to providing a security deposit (Application);
- B. BC Hydro requires security from customers who have not established credit satisfactory to BC Hydro or for customers who have not maintained credit satisfactory to BC Hydro, as per section 2.6 (Security for Payment of Bills) of the Electric Tariff;
- C. The proposed Electric Tariff amendments include:
 - 1. The introduction of Guarantor in section 1.2 Definitions;
 - 2. An update to section 2.4 Refusal to Provide Service and Termination by BC Hydro that allows BC Hydro to refuse to provide service to a Guarantor for failure to pay an amount due by the person provided the guarantee;
 - 3. Updates to section 2.6.3 Security to allow for the use of a guarantee for residential service customers;
 - 4. Updates to section 2.6.4 Application and Return of Security to indicate how the guarantee is to be used; and
 - 5. Updates to the title of sections 2.6.3 and 2.6.4, and to the Table of Contents and Index sections to reflect the Electric Tariff amendments noted above;

- D. In the BC Hydro 2015 Rate Design Application (RDA) proceeding, also known as Module 1, the British Columbia Old Age Pensioners' Organization *et al.* (BCOAPO) proposed that BC Hydro allow the use of sureties and guarantors as an alternative to cash security deposits. BC Hydro committed that it would review the proposal. In the BC Hydro 2015 RDA Decision, the Commission recommended the issue be explored further by BC Hydro in consultation with the low-income advisory group;
- E. On January 16, 2017, at a RDA Module 2 workshop, BC Hydro presented a proposal to use guarantees as an alternate form of security for residential customers. BC Hydro received letters of comment on its proposal from the following stakeholders: BCOAPO, B.C. Sustainable Energy Association and Sierra Club of B.C., Non-integrated Areas Ratepayers Group, and Zone II Ratepayer Group;
- F. On May 12, 2017, as a result of the exploration of this issue in Module 1, the feedback received from the Module 2 workshop indicating general support, and BC Hydro's response in the Application to the issues raised by stakeholders, the Commission sought submissions from the parties if they object to the Commission approving the order requested by BC Hydro in its Application;
- G. By May 29, 2017, the comments process concluded and no parties opposed BC Hydro's Application; and
- H. The Commission reviewed the Application and consider that the approval of the Application is warranted.

NOW THEREFORE the Commission approves the British Columbia Hydro and Power Authority application to amend the Electric Tariff to allow residential customers to have another BC Hydro customer act as a guarantor to their account as an alternative to providing a security deposit, effective on the date of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 2nd day of June 2017.

BY ORDER

Original signed by:

K. A. Keilty
Commissioner