



ORDER NUMBER
G-5-20

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

and

British Columbia Hydro and Power Authority
Customer Crisis Fund Evaluation Report

BEFORE:

W. M. Everett, QC, Panel Chair
D. A. Cote, Commissioner
K. A. Keilty, Commissioner

on January 10, 2020

ORDER

WHEREAS:

- A. On July 31, 2019, British Columbia Hydro and Power Authority (BC Hydro) filed its Year One Evaluation Report for the Customer Crisis Fund (CCF) Pilot Program (Year One Evaluation Report) with the British Columbia Utilities Commission (BCUC);
- B. Following the public hearing of BC Hydro's 2015 Rate Design Application (2015 RDA), the BCUC issued Order G-5-17 and the accompanying Decision on January 20, 2017. The BCUC approved the establishment of a pilot crisis intervention fund in the 2015 RDA Decision and directed BC Hydro to file a proposal for a pilot program within six months;
- C. By Order G-166-17, the BCUC made orders related to the Customer Emergency Fund (CEF) Pilot Program Application, including approval of the CEF Rate Rider and the CEF Regulatory Account. The BCUC also directed BC Hydro to file an evaluation report within 90 days of the completion of the second year of the CEF Pilot;
- D. The CEF, renamed to the Customer Crisis Fund (CCF) Pilot Program, came into effect on June 1, 2018;
- E. Upon receiving a significant number of complaints regarding the CCF Pilot Program, the BCUC issued Order G-211-18 and directed BC Hydro to file an evaluation report of the CCF Pilot within 90 days of the completion of the first year of the CCF Pilot Program;
- F. On July 31, 2019, BC Hydro filed a separate application with the BCUC, seeking approval to amend the CCF Rate Rider from 0.82 cents per day to 0.43 cents per day (CCF Rate Rider Amendment Application);
- G. By Order G-194-19 dated August 21, 2019, the BCUC approved the amendment to the CCF Rate Rider from 0.82 cents per day to 0.43 cents per day on an interim basis. In that same order, the BCUC adjourned the

CCF Rate Rider Amendment Application proceeding pending the outcome of the CCF Evaluation Report proceeding;

- H. BC Sustainable Energy Association (BCSEA); FortisBC Energy Inc. and FortisBC Inc. (collectively FortisBC); Mr. Anthony Lo; Non-Integrated Areas Ratepayers Group (NIARG); BC Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, and Together Against Poverty Society (BCOAPO); Zone II Ratepayers Group (Zone II RPG); and Commercial Energy Consumers Association of British Columbia (CEC) registered as interveners in the CCF Evaluation Report proceeding;
- I. By Order G-195-19, the BCUC established a regulatory timetable for the CCF Evaluation Report proceeding, which included an opportunity for submissions from BC Hydro and interveners regarding timing, regulatory process and scope for the review of the CCF Pilot Program; and
- J. The BCUC has reviewed the Year One Evaluation Report and parties' submissions and finds that there is insufficient data in the report to conduct a review of the CCF Pilot Program at this time.

NOW THEREFORE for the reasons attached as Appendix A to this order the BCUC adjourns the CCF Evaluation Report proceeding pending the filing of the evaluation report on or before July 28, 2020 being within 90 days of the completion of the second year of the CCF Pilot Program in compliance with Order G-166-17.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of January 2020.

BY ORDER

Original signed by:

W. M. Everett, QC
Commissioner

Attachment

British Columbia Hydro and Power Authority
Customer Crisis Fund Evaluation Report

REASONS FOR DECISION

Page no.

1.0 INTRODUCTION2

1.1 Background on the CCF Pilot Program2

2.0 APPROPRIATE TIMING FOR THE BCUC REVIEW OF THE CCF PILOT PROGRAM.....3

3.0 OTHER MATTERS.....4

3.1 BC Hydro Application to Amend the CCF Rate Rider.....4

3.2 Letters of Comment5

1.0 Introduction

British Columbia Hydro and Power Authority (BC Hydro) filed its Year One Evaluation Report for the Customer Crisis Fund (CCF) Pilot Program with the British Columbia Utilities Commission (BCUC) on July 31, 2019. The Year One Evaluation Report (Year One Evaluation Report) is filed in compliance with Order G-211-18, by which the BCUC directed BC Hydro to file an evaluation report within 90 days of the completion of the first year of the CCF Pilot Program. The Year One Evaluation Report examines the results of the first year of the CCF Pilot Program from May 1, 2018 to April 30, 2019 and assesses the set-up and operational costs, customer experience and opinion and provides an initial evaluation of participant and non-participant benefits.

In the Year One Evaluation Report, BC Hydro states that with only one year of operations, it is unable to conclusively identify whether the CCF Pilot Program resulted in economic benefits such as avoiding disconnections or reducing costs. However, BC Hydro expects that there will be an adequate sample size at the end of the second year of the CCF Pilot Program to provide more definitive conclusions on these matters.¹ BC Hydro plans to file a Two-Year Evaluation Report in June 2020 covering the period May 2018 to April 2020, as directed in Order G-166-17.²

The Panel has considered the following matters in the reasons below:

1. The appropriate timing for the BCUC review of the CCF Pilot Program;
2. Status of the BC Hydro Application to Amend the CCF Rate Rider; and
3. Letters of comment from the members of the public.

1.1 Background on the CCF Pilot Program

During the BC Hydro 2015 Rate Design Application (2015 RDA) proceeding, British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, B.C. Poverty Reduction Coalition, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, Together Against Poverty Society, and The Tenant Resource and Advisory Centre requested the BCUC approve a crisis intervention fund to assist BC Hydro customers who have arrears and are unable to pay their electricity bills. The BCUC approved the establishment of a pilot crisis intervention fund in the 2015 RDA Decision and accompanying Order G-5-17 and directed BC Hydro to file a proposal for a pilot program within six months. The BCUC approved the fund as a pilot program to assess whether there is an economic or cost of service justification for the establishment of a crisis intervention fund on a permanent basis.³

BC Hydro filed an application seeking approvals related to the Customer Emergency Fund (CEF) Pilot Program, later renamed to the Customer Crisis Fund (CCF) Pilot Program, on July 24, 2017. The BCUC issued several orders related to the Customer Emergency Fund (CEF) Pilot Program by Order G-166-17, including approval of the CEF Rate Rider and the CEF Regulatory Account, amongst other things. The BCUC also directed BC Hydro to file an evaluation report within 90 days of the completion of the second year of the CEF Pilot.

In response to a significant number of complaints regarding the CCF Pilot Program during the first few months of its implementation, the BCUC directed BC Hydro to file an evaluation report of the CCF Pilot Program within 90 days of the completion of the first year of the CCF Pilot Program. At the time, the BCUC considered that an

¹ Exhibit B-1, p. 2.

² Exhibit B-3, p. 3.

³ BC Hydro 2015 RDA Decision, pp. 93–98.

earlier review of the CCF results would be beneficial as it would allow for a timelier evaluation of the program with consideration of ratepayer concerns and for an earlier understanding of the CCF's actual results.⁴

2.0 Appropriate timing for the BCUC review of the CCF Pilot Program

The question for the Panel to consider now is whether it is appropriate to conduct a review of the CCF Pilot Program based on the information available in the Year One Evaluation Report or at some other time in the future.

The Panel requested submissions from BC Hydro and Interveners on the appropriate timing for the review of the CCF Pilot Program. BC Sustainable Energy Association (BCSEA); Non-Integrated Areas Ratepayers Group (NIARG); BC Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, and Together Against Poverty Society (BCOAPO); and Zone II Ratepayers Group (Zone II RPG) all agree with BC Hydro that a review of the CCF Pilot Program based on the information contained in the Year One Evaluation Report would be premature, given the limited data available. These parties all recommend a review of the CCF Pilot Program after the completion of the second year of the Pilot Program when there will be more data available.

FortisBC Energy Inc. and FortisBC Inc. (collectively FortisBC) submits that if the purpose of the Year One Evaluation Report is to assess whether the CCF Pilot Program should continue, be modified or terminated, then the review "will necessarily need to be based on the limited data currently available." However, if the BCUC concurs with BC Hydro that this is not the case, FortisBC does not object to BC Hydro's suggestion that a second year of data would be more informative. Further, FortisBC states that any review should consider the ratepayer complaints regarding the CCF Pilot Program and not only the cost and benefits.⁵

Mr. Anthony Lo, also an Intervener, submits that BCUC Orders G-211-18 and G-195-19 give the BCUC the mandate to review the CCF Pilot Program based on the Year One Evaluation Report. He states that conducting a review earlier rather than later is appropriate considering several issues associated with the CCF Pilot Program, including the surplus revenue, the numerous complaints and letters of comment, the high audit failure rate, the costs and the lack of required financial information from applicants, amongst other issues.

Panel Determination

The Panel has reviewed the Year One Evaluation Report, the submissions from BC Hydro and interveners and the letters of comment. The Panel recognizes that the majority of the letters of comment filed in the proceeding express opposition to the CCF Pilot Program and objection to its continuance. In making its findings and determinations on the timing of a BCUC review of the CCF Pilot Program, the Panel has considered the opposition to the CCF Pilot Program expressed in the letters of comment, the objectives of the pilot, the data available in the Year One Evaluation Report and the timing for the filing of the Two-Year Evaluation Report.

The Panel notes that the BCUC approved the CCF as a pilot program to assess whether there is an economic or cost of service justification for the establishment of a crisis intervention fund on a permanent basis.⁶ The Panel has reviewed the CCF Year One Evaluation Report, which includes data from the first year of operations of the CCF Pilot. The Panel agrees with BC Hydro that with data from only one year of operations, the sample size is

⁴ BCUC Order G-211-18.

⁵ Exhibit C2-2, p. 2.

⁶ BC Hydro 2015 RDA Decision, pp. 93–98.

inadequate to provide definitive conclusions as to the economic benefits of the CCF Pilot. Accordingly, the Panel finds that there is insufficient data in the Report to effectively conduct a review of the CCF Pilot at this time.

BC Hydro states that it expects there will be an adequate sample size at the end of the second year of the CCF Pilot to provide more definitive conclusions on the CCF Pilot Program benefits and plans to file a Two-Year Evaluation Report in June 2020 covering the period May 2018 to April 2020, as directed in Order G-166-17.⁷ Given that the expected filing date for the Two-Year Evaluation Report is in June 2020 and that the report will include data from an additional year of CCF Pilot Program operations, the Panel finds that a determination on the timing for a review of the CCF Pilot Program should be made with the benefit of the Two-Year Evaluation Report.

For the reasons above, the CCF Evaluation Report proceeding is adjourned pending the filing of the evaluation report on or before July 28, 2020 being within 90 days of the completion of the second year of the CCF Pilot Program in compliance with Order G-166-17.

3.0 Other matters

3.1 BC Hydro Application to Amend the CCF Rate Rider

BC Hydro filed a separate application with the BCUC on July 31, 2019, seeking approval to amend the CCF Rate Rider from 0.82 cents per day to 0.43 cents per day. On August 21, 2019, the BCUC approved the amendment to the CCF Rate Rider from 0.82 cents per day to 0.43 cents per day on an interim basis and adjourned the CCF Rate Rider Amendment Application proceeding pending the outcome of the CCF Evaluation Report proceeding.⁸ Any difference between the interim and permanent rates that are approved by the BCUC are to be captured in the CCF Regulatory Account and the disposition of the CCF Regulatory Account, including the refund of any remaining surplus, is to be considered at the end of the CCF Pilot Program.

Mr. Lo, in his submission, addresses the surplus in the CCF Regulatory Account and states that the surplus should be credited back to ratepayers.

Panel Discussion

Given the current proximity to the expected filing date for the Two-Year Evaluation Report in June 2020, the Panel is of the view that any review of the permanent CCF Rate Rider at this time may result in a duplication of efforts and increase regulatory costs. Further, any difference between interim and permanent rates will be included in the CCF Regulatory Account. As such, the Panel finds it appropriate that the proceeding to review the CCF Rate Rider remain adjourned pending the outcome of the CCF Evaluation Report proceeding.

With respect to Mr. Lo's comments regarding the surplus in the CCF Regulatory Account, the Panel notes that the disposition of the CCF Regulatory Account, including the refund of any remaining surplus, will be considered at the end of the CCF Pilot Program.

⁷ Exhibit B-1, p. 2; Exhibit B-3, p. 3.

⁸ BCUC Order G-194-19.

3.2 Letters of Comment

The BCUC received 128 letters of comment from members of the public and 16 letters of comment from interested parties. Many of the concerns raised in the letters of comment include that the CCF Rate Rider is like a tax and forced charitable donation.

Panel Discussion

A significant number of letters of comment filed in the proceeding express opposition to the CCF Pilot Program in general, regardless of the amount of the CCF Rate Rider. However, the majority of these comments do not specifically address the questions identified by the Panel to be considered in this proceeding regarding the timing and scope of a review of the CCF Pilot Program.⁹ In addition, the Panel notes that concerns related to the CCF Pilot being akin to insurance, charity and/or tax have already been previously dismissed by the BCUC.¹⁰

Notwithstanding, the Panel recognizes the importance of the letters of comment and the efforts made by individuals to file these concerns with the BCUC. The current evidentiary record, including all letters of comment, filed in this proceeding will remain part of the evidentiary record when the proceeding is reconvened after the filing of the Two-Year Evaluation Report.

⁹ Appendix B to BCUC Order G-195-19.

¹⁰ Order G-69-19, Reasons for Decision, p. 7.