



**ORDER NUMBER  
G-77-23**

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

and

British Columbia Hydro and Power Authority  
Transmission Service Rate Design Application

**BEFORE:**

T. A. Loski, Panel Chair  
C. M. Brewer, Commissioner  
A. C. Dennier, Commissioner

on April 4, 2023

**ORDER**

**WHEREAS:**

- A. On March 16, 2023, pursuant to sections 58 to 60 of the *Utilities Commission Act* (UCA), BC Hydro and Power Authority (BC Hydro) filed with the British Columbia Utilities Commission (BCUC) a Transmission Service Rate Design Application (Application), which includes a proposal to transition Rate Schedule (RS) 1823 and RS 1827 customers to a new, flat-rate structure (Rate Schedule 1830 or RS 1830) with a lower energy charge and higher demand charge over a three-year transition period;
- B. RS 1823 – Transmission Service – Stepped Rate (Stepped Rate) was implemented on April 1, 2006, as a result of a Negotiated Settlement that was approved by Order G-79-05. The Stepped Rate consists of a two-tier rate energy charge and a demand charge. RS 1827 – Rate for Exempt Customers, effective since April 2006, applies to customers exempted from RS 1823 who do not have direct control over electricity end use;
- C. By Order G-5-17 with accompanying decision to the BC Hydro 2015 Rate Design Application dated January 20, 2017, the BCUC approved the current Transmission Service Rate pricing principles whereby general rate increases, effective April 1, 2018, would be applied uniformly to Tier 1 and Tier 2 rates for RS 1823 Energy Charge B. The current Transmission Service Rate pricing principles were extended by Orders G-93-19 and G-131-21 to March 31, 2023, or until a new rate structure for RS 1823 customers is approved by the BCUC;
- D. In the Application, BC Hydro's proposed RS 1830 consists of a flat energy charge of \$44.14 per megawatt hours (MWh) and a demand charge of \$11.00 per kilovolt ampere (kVA) in fiscal 2024 dollars;
- E. BC Hydro is seeking the following BCUC approvals:
  - i. Approval of RS 1830 for fiscal 2025, effective as of the later of April 1, 2024, or the date of the BCUC order, and for fiscals 2026 and 2027, effective as of April 1, 2025 and April 1, 2026, respectively, as

adjusted to reflect the cumulative impact of any general rate changes approved by the BCUC between the date of the Application and the effective date of RS 1830;

- ii. Approval of amendments to RS 1280, 1880, 1891 and 1892, effective the later of April 1, 2024, or the date of the BCUC order;
  - iii. Approval to close RS 1823 to new customers, effective the later of April 1, 2024, or the date of the BCUC order;
  - iv. Approval of amendments to RS 1823 to allow customers with remaining Customer-funded demand-side management (DSM) project Duration as of April 1, 2024, to remain on the rate until the end of the fiscal 2026 Billing Year and to transition RS 1823 and RS 1827 customers to RS 1830 as described in Section 4.7 of the Application and contained in the draft tariff sheets for RS 1830, effective as of the later of April 1, 2024, or the first day of the fourth calendar month following the date of the BCUC order;
  - v. Cancellation of RS 1825, 1827 and 1852, effective as of the later of April 1, 2024, or the first day of the fourth calendar month following the date of the BCUC order; and
  - vi. Cancellation of RS 1823, effective at the end of the fiscal 2026 Billing Year.
- F. BC Hydro submits that the economic and policy environment has evolved since RS 1823 was originally introduced. The Tier 2 energy charge is no longer reflective of BC Hydro's long-run marginal cost of energy and may be viewed by some customers as a barrier to electrification and decarbonization. BC Hydro views that the proposed flat rate (RS 1830) aligns with BC Hydro's current policy environment and is more reflective of its marginal energy cost;
- G. The BCUC has commenced review of the Application and considers that the establishment of a public hearing is warranted.

**NOW THEREFORE** the BCUC orders as follows:

1. A public hearing process is established for the review of the Application in accordance with the regulatory timetable as set out in Appendix A to this order.
2. On or before Thursday, April 13, 2023, BC Hydro must publish the Application, this order, and the regulatory timetable on its website and provide a copy of this order and the Application, electronically where possible, including the following:
  - a. All customers served under Transmission Service and Distribution Service Rates as described in Table 1-1 of the Application;
  - b. Parties who submitted letters of comment in the BC Hydro Fiscal 2022 to 2023 Transmission Service Rate Pricing Principles proceeding;
  - c. All interveners in the BC Hydro 2021 Integrated Resource Plan proceeding.
3. BC Hydro must publish the Public Notice, attached as Appendix B to this order, to its social media platforms, on or before Thursday, April 13, 2023. BC Hydro must also publish weekly reminder notices on each of its platforms until the conclusion of the intervener registration period on Monday, May 1, 2023.

4. BC Hydro must provide by Tuesday, April 18, 2023, written confirmation of compliance with Directive 2, and that BC Hydro has published the Public Notice on its social media platforms and implemented a schedule of weekly reminder posts in accordance with Directive 3.
5. In accordance with the BCUC's [Rules of Practice and Procedure](#), parties who wish to actively participate in this proceeding must submit a [Request to Intervene Form](#), available on the BCUC's website at [www.bcuc.com/get-involved](http://www.bcuc.com/get-involved), by Monday, May 1, 2023, as established in the regulatory timetable. Parties may also submit letters of comment by completing a [Letter of Comment Form](#), available on the BCUC's website.

**DATED** at the City of Vancouver, in the Province of British Columbia, this                    4<sup>th</sup>                    day of April 2023.

BY ORDER

*Original signed by:*

T. A. Loski  
Commissioner

Attachment

British Columbia Hydro and Power Authority  
Transmission Service Rate Design Application

**REGULATORY TIMETABLE**

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Action	Date (2023)
BC Hydro Provides Notice of Application and Order G-77-23	Thursday, April 13
BC Hydro to Confirm Compliance Regarding Directives 2 and 3 of Order G-77-23	Tuesday, April 18
Intervener Registration Deadline	Monday, May 1
BCUC Information Request (IR) No. 1 to BC Hydro	Thursday, May 18
Intervener IR No. 1 to BC Hydro	Friday, May 26
BC Hydro responses to IR No. 1	Thursday, June 29
Further Process	To Be Determined



# We want to hear from you

## BC Hydro Transmission Service Rate Design Application

On March 16, 2023, BC Hydro and Power Authority (BC Hydro) applied to the British Columbia Utilities Commission (BCUC) for approval of a proposal to transition Rate Schedule 1823 and Rate Schedule 1827 customers to a new, flat-rate structure – Rate Schedule 1830 – with a lower energy charge and higher demand charge over a three-year transition period.

BC Hydro indicates that the proposed new rate would be a revenue-neutral, flat-rate design as the default rate for Transmission service customers that incorporates feedback from customers and stakeholders and improves alignment with BC Hydro's cost of service and levelized marginal cost of energy.

In its review of the application, the BCUC will explore how the proposed Rate Schedule 1830 will impact BC Hydro's Transmission service customers.

### HOW TO PARTICIPATE

- Request intervener status
- Submit a letter of comment

### IMPORTANT DATES

1. **Monday, May 1, 2023** – Deadline to register as an intervener with the BCUC

[Subscribe to a Proceeding](#) on bcuc.com under "Get Involved" to receive email notifications when public documents are added to the proceeding. For more information about the application, please visit the [Proceeding Webpage](#) on bcuc.com under "Our Work – Proceedings".

## GET MORE INFORMATION

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