



ORDER NUMBER
G-353-23

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 December 15, 2023

ORDER

WHEREAS:

- A. On March 16, 2023, pursuant to sections 58 to 60 of the *Utilities Commission Act*, British Columbia 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 (Stepped Rate) and RS 1827 customers to a new, flat-rate structure (RS 1830 or Proposed Flat Rate) with a lower energy charge and higher demand charge over a three-year transition period;
- B. By Orders G-77-23, G-165-23, G-205-23 and G-277-23, the BCUC established the regulatory timetable for the review of the Application which included intervener registration, two rounds of information requests (IRs), submissions on further process, a deadline for letters of comment, and final and reply arguments;
- C. Fourteen interveners registered in this proceeding and the BCUC received five letters of comment;
- D. In its Application, BC Hydro seeks 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 Stepped Rate until the end of the fiscal 2026 Billing Year (as defined in Appendix D-3 of the Application) 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;
- E. BC Hydro proposes a three-year transition with three segmented flat transition rates (Segmented Rates) to ease bill impacts for affected customers between fiscal 2025 and fiscal 2027 (Proposed Transition). The Proposed Transition also incorporates flexibility for certain customers that have undertaken energy efficiency projects at their facilities by providing these customers the option to remain on RS 1823 for two additional years. That is, customers with remaining duration from Customer-funded DSM projects as of April 1, 2024 would have the option to remain on RS 1823 until fiscal 2027;
- F. On August 23, 2023, BC Hydro filed an update to the Application requesting BCUC approval of a revised RS 3808 for Transmission service to FortisBC Inc. (Evidentiary Update);
- G. BC Hydro requests that the following exhibits be kept confidential on the basis that they contain customer-specific commercially sensitive information (Confidential Exhibits):
- i. Exhibit B-4-1, BC Hydro submitting confidential responses to BCUC IR No. 1;
 - ii. Exhibit B-5-1, BC Hydro submitting confidential responses to Intervener IR No. 1, including confidential Excel file attachments;
 - iii. Exhibit B-9, BC Hydro submitting confidential responses to BCUC IR No. 2; and
 - iv. Exhibit B-11, BC Hydro submitting confidential responses to Intervener IR No. 2, including a confidential Excel file attachment; and
- H. The BCUC has reviewed the Application, evidence and arguments filed by all parties in the proceeding and makes the following determinations.

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

1. The Proposed Flat Rate (RS 1830), as shown in Appendix D-3 of the Application and as adjusted to reflect the general rate changes approved by the BCUC for fiscal 2025, is approved, effective April 1, 2024.
2. RS 1830 for fiscal 2026 and 2027, as shown in Appendix D-4 of the Application and 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 the said schedule (i.e. for fiscal 2026 or fiscal 2027), is also approved, effective April 1, 2025 and April 1, 2026, respectively.

3. BC Hydro's Proposed Transition is approved to move RS 1823 and RS 1827 customers to RS 1830, as outlined in the directives and determinations in this order and the decision issued concurrently, effective April 1, 2024.
4. RS 1823 is closed to new customers, effective April 1, 2024.
5. Amendments to RS 1823, as shown in Appendix D-2 of the Application and as adjusted to reflect the general rate changes approved by the BCUC for fiscal 2025, is approved, effective April 1, 2024.
6. BC Hydro is directed to notify customers with remaining duration from Customer-funded DSM projects of their eligibility to stay on RS 1823 during the transition period within 30 days of the date of this order.
7. BC Hydro is approved to recover the revenue shortfall resulting from customers electing to stay on the Stepped Rate during the Proposed Transition from all ratepayers.
8. BC Hydro is directed to notify customers of the energy charge(s) that they are eligible for under RS 1830 based on fiscal 2020 and fiscal 2022 billing data within 30 days of the date of this order.
9. BC Hydro is directed to recover the revenue shortfall resulting from the customers' choice of year for segmentation from the Transmission service class through repricing the Segmented Rates.
10. Amendments to RS 1280, RS 1880, RS 1891 and RS 1892, as shown in Appendix D-2 of the Application and as adjusted to reflect the general rate changes approved by the BCUC for fiscal 2025, are approved, effective April 1, 2024.
11. RS 1825, RS 1827 and RS 1852 are cancelled, effective April 1, 2024.
12. Amendments to the Tranche 1 energy price and demand charge of RS 3808, as shown in Appendix B of the Evidentiary Update and as adjusted to reflect the general rate changes approved by the BCUC for fiscal 2025, are approved, effective April 1, 2024.
13. RS 3808 for fiscal 2026 and 2027, as shown in Appendix B and 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 the said schedule (i.e. for fiscal 2026 or fiscal 2027), is also approved, effective April 1, 2025 and April 1, 2026, respectively. Effective April 1, 2027 and each April 1st thereafter, the RS 3808 Tranche 1 energy price and the RS 3808 demand charge shall be adjusted to be equal to the RS 1830 energy and demand charges, respectively.
14. BC Hydro is directed to monitor load growth after the transition period and examine the impact of the change in rate structure on Transmission service class load and potential implications for rate repricing, and to report this to the BCUC by March 31, 2030.
15. RS 1823 is cancelled, effective as of the end of the fiscal 2026 Billing Year.
16. The Confidential Exhibits will be kept confidential due to their customer-specific commercially sensitive nature until the BCUC determines otherwise.
17. BC Hydro is directed to file updated tariff sheets reflecting the general rate changes approved by the BCUC for fiscal 2025 following the BCUC's decision on BC Hydro's Fiscal 2023 to Fiscal 2025 Revenue Requirements Application as a compliance filing within 30 days of the date of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of December 2023.

BY ORDER

Original signed by:

T. A. Loski
Commissioner