



ORDER NUMBER
G-42-25

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

and

British Columbia Hydro and Power Authority
2024 Rate Design

BEFORE:

M. Jaccard, Panel Chair
T. A. Loski, Commissioner
W. E. Royle, Commissioner

on February 24, 2025

ORDER

WHEREAS:

- A. On June 13, 2023, the British Columbia Utilities Commission (BCUC) issued its Decision and Order G-140-23 on British Columbia Hydro and Power Authority (BC Hydro)'s Fiscal 2024 Residential Inclining Block Rate (RIB Rate) Pricing Principles Application, which directed BC Hydro to, among other things, file an application for changes to the current RIB Rate by June 30, 2024;
- B. On June 27, 2024, pursuant to sections 58 to 61 of the *Utilities Commission Act* (UCA), BC Hydro filed with the BCUC, a 2024 Rate Design Application (Application), which includes a proposal for changes to its residential service rates in accordance with Order G-140-23, net metering service rate, non-integrated area (NIA) rates, and Electric Tariff Terms and Conditions;
- C. By Order G-33-25, the BCUC found that a separate process to review BC Hydro's net metering service rate proposals is warranted and directed that the proposals will not be reviewed as part of the review of the Application;
- D. By Order G-190-24, the BCUC established the regulatory timetable for the review of the Application, which included, among other things, intervener registration, one round of information requests (IRs), and final and reply arguments;
- E. In the Application, and as revised in errata filed by BC Hydro during the course of the proceeding, BC Hydro seeks the following BCUC approvals:

i. Residential Service Rates:

- a) To expand the availability of Rate Schedule (RS) 1151 – Exempt Residential Service (RS 1151) to all residential customers and to change the name of RS 1151 to Rate Schedule 1151 – Residential Service – Flat Rate, effective April 1, 2025;
- b) To cancel the multi-residential service rates (i.e. RS 1121 – Multi-Dwelling RIB Rate, RS 1161 – Multi-Dwelling Flat Rate), effective the later of April 1, 2025 or the BCUC approved effective date;
- c) To extend the RIB Rate pricing principles on an ongoing basis subject to a filing by BC Hydro to provide the associated bill impacts, based on the rates proposed in BC Hydro's next revenue requirements application, and to change the name of RS 1101 – Residential Service (RS 1101) to Rate Schedule 1101 – Residential Service – Tiered Rate.

ii. Non-Integrated Area Rates:

- a) To expand the availability of the following rate schedules to customers in the NIA and to transition customers in the NIA to the appropriate rate schedule by the later of April 1, 2025 or the BCUC approved effective date:
 - i. Residential Service: RS 1101, RS 1151 and RS 2101;
 - ii. Small General Service: RS 1300, 1301, 1310, 1311 (collectively referred to as RS 1300);
 - iii. Medium General Service: RS 1500, 1501, 1510, 1511 (collectively referred to as RS 1500);
 - iv. Large General Service: RS 1600, 1601, 1610, 1611 (collectively referred to as RS 1600); and
 - v. Irrigation Service: RS 1401 – Irrigation Service (RS 1401) ;
- b) To cancel the following rate schedules applicable to the NIA, effective the later of April 1, 2025 or the BCUC approved effective date:
 - i. Residential Service: RS 1107, RS 1127 and RS 1148;
 - ii. General Service: RS 1200, 1201, 1210, 1211 (collectively referred to as RS 1200);
 - iii. Zone II Small General Service (Under 35 kilowatt [kW]): RS 1234; and
 - iv. Zone II General Service (35 kW and Over): RS 1255, 1256, 1265, 1266 (collectively referred to as RS 1255);
- c) To recover the resulting forecast revenue reduction from the above changes from all ratepayers through general rates.

iii. Electric Tariff:

- a) To update the following Electric Tariff Terms and Conditions, as shown in Appendix B of the Application as revised by errata and updates in Exhibit B-1-4, including:
 - i. Clarification that the Terms and Conditions are applicable to Electric Tariff Supplements, including customers receiving Transmission Service, on the title page and in Section 1.1.1;
 - ii. Removal of the master-metering option for multi-unit residential properties in Section 4.4;

- iii. Amendments regarding the obligations of electricity resellers in Section 9.1;
- iv. Amendments to the back-billing provisions in Section 5.7;
- v. Updates of standard charges outlined in Section 6 and provided in Section 11;
- vi. Removal of the option for BC Hydro to supply transformers on primary voltage services in Section 3.13;
- vii. Amendments to clarify customer responsibilities when voltage conversion is required in Section 3.7; and
- viii. Various amendments to address administrative and housekeeping issues, as summarized in Tables 7-7 and 7-8 of the Application;

b) To update the Electric Tariff Rate Schedules, as shown in Appendix B of the Application as revised by errata and updates in Exhibit B-1-4, as follows:

- i. Updates to the following rate schedules to reflect the proposed change from the definitions of Rate Zone I, IB and II to the definitions of Integrated Service Area and Non-Integrated Service Area: 1101, 1105, 1151, 1253, 1268, 1280, 1289, 1300, 1401, 1500, 1600, 1640, 1641, 1642, 1643, 1650, 1651, 1652, 1643, 1702, 1704, 1755, 1823, 1828, 1830, 1853, 1880, 1891, 1892, 1894, 1895, 2101, 4100;
- ii. Update to RS 1401 to change the mid-season meter reading to June instead of July; and
- iii. Updates to the following rate schedules to consolidate special conditions related to unmetered accounts under a new Section 5.9 Unmetered Loads: 1300, 1702, 1704;

- F. BC Hydro requests that certain information filed during the course of the proceeding be held confidential in accordance with Part IV of the BCUC's Rules of Practice and Procedure; and
- G. The BCUC has reviewed the Application, evidence and arguments filed in this proceeding and makes the following determinations regarding the proposed changes to residential service rates, NIA rates and Electric Tariff Terms and Conditions.

NOW THEREFORE for the reasons outlined in the decision accompanying this order and pursuant to sections 58 to 61 of the UCA, the BCUC orders as follows:

1. BC Hydro is approved to change the name of RS 1151 – Exempt Residential Service to Rate Schedule 1151 – Residential Service – Flat Rate and to expand the availability of RS 1151 to all residential customers, effective April 1, 2025.
2. Multi-residential service rates, RS 1121 and RS 1161, are cancelled, effective April 1, 2025, and customers are to be transitioned to the appropriate rate schedule by April 1, 2025.
3. BC Hydro is approved to change the name of RS 1101 – Residential Service to Rate Schedule 1101 – Residential Service – Tiered Rate and to apply the following pricing principles to RS 1101 on an ongoing basis, effective April 1, 2025:
 - a) Basic Charge: Apply the general rate increase;
 - b) Step 2 Energy Charge: Hold the Step 2 Energy Charge constant at 14.08 cents per kilowatt-hour; and

- c) Step 1 Energy Charge: Apply the rate increase necessary so that, on a forecast basis, BC Hydro will earn the same revenue in the fiscal year from its RS 1101 customers as if:
 - i. The general rate increase had been applied equally to all three charges of RS 1101;
 - ii. The availability of the Flat Rate was not expanded to all residential customers in the integrated service area; and
 - iii. RS 1121 and RS 1161 were not cancelled.
4. BC Hydro is directed to file a compliance filing concurrently with each future rate change submitted following the issuance of this decision, until BC Hydro files an application to merge the Flat Rate and RIB Rate, to at least include the items noted in Section 2.1 of the decision accompanying this order.
5. The expansion of RS 1101, 1151, 2101, 1300, 1500, 1600 and 1401 to customers in the NIA, as defined in the Electric Tariff, is approved, effective April 1, 2025, and the customers are to be transitioned to the appropriate rate schedule by April 1, 2025.
6. The cancellation of RS 1107, 1127, 1148, 1200, 1234 and 1255 is approved, effective April 1, 2025.
7. BC Hydro is to recover the forecast revenue reduction arising from Directives 5 and 6 from all ratepayers through general rates.
8. The amendments to the Electric Tariff as shown in Appendix B to the Application and as revised by the errata filed in the proceeding (excluding updates related to the net metering proposals) are approved, effective April 1, 2025.
9. BC Hydro is directed to file revised Electric Tariff Terms and Conditions and Rate Schedules with the BCUC for endorsement, reflecting the BCUC approvals in this order, at the same time BC Hydro files tariff pages for endorsement reflecting rates approved, effective April 1, 2025.
10. The request to hold confidential certain information filed confidentially during the course of the proceeding is approved unless the BCUC determines otherwise.
11. BC Hydro is directed to comply with all other directives contained in the decision accompanying this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of February 2025.

BY ORDER

Electronically signed by Mark Jaccard

M. Jaccard
Commissioner

British Columbia Hydro and Power Authority
2024 Rate Design

DECISION

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Executive Summary

On June 27, 2024, British Columbia Hydro and Power Authority (BC Hydro) filed its 2024 Rate Design Application (Application) with the British Columbia Utilities Commission (BCUC), seeking approval of changes to its residential service rates, net metering service rate, non-integrated area (NIA) rates, and Electric Tariff Terms and Conditions. By Order G-33-25, the BCUC found that a separate process to review BC Hydro's net metering service rate proposals is warranted and directed that the proposals will not be reviewed as part of the review of the Application. Accordingly, these proposals are not addressed in this decision.

In the Application, BC Hydro proposes to offer an optional flat rate to all residential customers, gradually flatten the tiered residential inclining block rate (RIB Rate), extend the availability of rates in its integrated service area to customers in the NIA, and amend its Electric Tariff.¹

Residential Service Rates

Rate Schedule 1101, commonly referred to as the RIB Rate, is currently the default rate for residential customers in BC Hydro's integrated service area. It was introduced in 2008 in response to the BC Government's 2007 Energy Plan objective of encouraging electricity conservation through rate structures and consists of three components: (i) a daily basic charge (Basic Charge), (ii) a rate for electricity use (Step 1 Energy Charge) up to a certain threshold in each billing period, and (iii) a higher rate for all electricity use beyond that threshold (Step 2 Energy Charge).² Since the introduction of the RIB Rate, it has been necessary to establish pricing principles each fiscal year to determine how the general rate changes arising from BC Hydro's Revenue Requirements Application (RRA) would apply to each of the three components of the RIB Rate.³

From fiscal 2023 onwards, the BCUC found there was no economic justification to increase the Step 2 Energy Charge and the BCUC reduced the price differential between the Step 1 and Step 2 Energy Charges by "freezing" the Step 2 Energy Charge, increasing the Basic Charge by the general rate increase, and increasing the Step 1 Energy Charge to collect the same amount of forecast revenue had the general rate increase been applied equally to the three charges of the RIB Rate.⁴

In 2023, the BCUC directed BC Hydro to file an application for changes to the current RIB Rate design by June 30, 2024.⁵ Accordingly, in the Application, BC Hydro proposes to continue to extend the current RIB Rate pricing principles to apply the general rate increase to the Basic Charge, freeze the Step 2 Energy Charge and increase the Step 1 Energy Charge to maintain revenue neutrality on a forecast basis. Once the RIB Rate charges are close to the Flat Rate charges, currently anticipated to be in fiscal 2028, BC Hydro plans to apply to the BCUC to merge these two rate schedules.

¹ Exhibit B-1, Section 1.1, pp. 1-2 to 1-4; Exhibit B-1-1, Appendix A; Exhibit B-1-4, Appendix A Revision 1; BC Hydro Final Argument, p. 2.

² Exhibit B-1, Section 4.2.1, Table 4-1, p. 4-3, Section 4.2.2, p. 4-5; Section 4.3.2, Table 4-3, p. 4-16; BC Hydro 2008 RIB Rate Application, Final Order G-124-08 with Reasons for Decision.

³ Exhibit B-1, Section 4.2.2, pp. 4-9 to 4-11.

⁴ Exhibit B-1, Section 4.2.2, p. 4-11; Order G-210-22 dated July 25, 2022; Order G-140-23 dated June 13, 2023; Order G-61-24 dated March 8, 2024.

⁵ BC Hydro Fiscal 2024 Residential Inclining Block Rate Pricing Principles Application, Decision and Order G-140-23 dated June 13, 2023, p. 13.

In addition to the RIB Rate, BC Hydro offers a Flat Rate that is currently only available to a small group of customers.⁶ In the Application, BC Hydro proposes to expand the availability of the Flat Rate to all residential customers as an optional rate and cancel the multi-residential service rates.

Intervenors are generally supportive of BC Hydro's proposed changes to its residential service rates, but raised certain concerns, such as the rate impact on low-income and low-consumption residential customers.⁷

The Panel approves BC Hydro's proposed changes to its residential service rates, effective April 1, 2025, and directs BC Hydro to file concurrently with each future rate change certain information, such as the bill impacts of the approved pricing principles. The Panel agrees with BC Hydro that there is a cost of service justification for BC Hydro's RIB Rate pricing principles proposal, that the proposal supports government policy by removing a barrier to electrification and decarbonization, and the Panel finds the proposal not unjust, unreasonable, unduly discriminatory or unduly preferential.

Non-Integrated Area Rates

BC Hydro proposes to offer NIA customers the same rates and standard charges that are currently available to customers in BC Hydro's integrated service area, cancel rate schedules specific to the NIA customers, and recover any revenue reductions resulting from the proposal from all ratepayers.⁸ The NIA rates proposal is expected to either reduce or not change bills for residential customers and will reduce bills for most general service customers in the NIA.

Intervenors support BC Hydro's NIA rates proposals, but raised concerns regarding the expected rate increases for certain general service customers resulting from the proposal, as well as concerns regarding the existing NIA rates.

The Panel approves BC Hydro's NIA rates proposals, effective April 1, 2025, and finds that BC Hydro's NIA rates proposal will result in rates that are just and reasonable and that the proposed NIA rates have a cost of service basis. The Panel also considers BC Hydro's proposal consistent with the principle of postage stamp rates, which are an accepted practice and have been approved by the BCUC in multiple past instances.

Electric Tariff Terms and Conditions

BC Hydro proposes updates to its Electric Tariff Terms and Conditions for improvements and to be more transparent and reflective of BC Hydro's current operation and business environment. In addition to miscellaneous and housekeeping amendments, BC Hydro proposes to remove the master metering option for new multi-unit residential buildings, clarify the resale of electricity service, modify rules for back-billing of unmetered services, update standard charges, discontinue provision of transformation on private property, and clarify customers responsibilities for voltage conversion projects.⁹

While intervenors are generally supportive of the proposed amendments, issues were raised with regards to the metering for new multi-unit residential buildings, back-billing amendments, and BC Hydro's voltage conversion plans.

The Panel finds BC Hydro's proposed updates to its Electric Tariff are reasonable and improve clarity of its Terms and Conditions. Accordingly, the Panel approves BC Hydro's proposed amendments to the Electric Tariff, effective April 1, 2025. In addition, the Panel directs BC Hydro to file a report with the BCUC by July 31, 2025 in

⁶ Exhibit B-1, Section 4.3.2, pp. 4-15 to 4-16.

⁷ MoveUP Final Argument, pp. 2–3; BCESA Final Argument, p. 1; BCOAPO Final Argument, p. 18; RCIA Final Argument, PDF p. 9; the CEC Final Argument, p. 9.

⁸ Exhibit B-1, pp. 6-3 – 6-4.

⁹ Exhibit B-1, Section 7.1, pp. 7-1 to 7-2.

relation to its proposed amendments to remove the master metering option for new multi-unit residential buildings.

1.0 Introduction

On June 27, 2024, British Columbia Hydro and Power Authority (BC Hydro) filed its 2024 Rate Design Application (Application) with the British Columbia Utilities Commission (BCUC), seeking approval of changes to its residential service rates, net metering service rate, non-integrated area (NIA) rates, and Electric Tariff Terms and Conditions. By Order G-33-25, the BCUC found that a separate process to review BC Hydro's net metering service rate proposals is warranted and directed that the proposals will not be reviewed as part of the review of the Application. Accordingly, these proposals are not addressed in this decision.

In the Application, BC Hydro seeks updates to its residential rate design in compliance with the BCUC's Decision and Order G-140-23 on BC Hydro's Fiscal 2024 Residential Inclining Block Rate (RIB Rate) Pricing Principles Application, which directed BC Hydro to, among other things, file an application for changes to the current RIB Rate by June 30, 2024.¹⁰ Particularly, BC Hydro proposes to gradually flatten the tiered RIB Rate, offer an optional flat rate to all residential customers, extend the availability of rates in its integrated service area to customers in the NIA, and amend its Electric Tariff to be more transparent and reflective of its current operation and business environment.¹¹

BC Hydro states that the proposals in the Application will improve alignment with marginal costs and cost of service, support government policy by removing barriers to electrification and decarbonization, enhance fairness, and create a flexible foundation for introducing new rate choices in respond to customers' preferences.¹²

1.1 Approvals Sought

BC Hydro seeks the following BCUC approvals pursuant to sections 58 to 61 of the *Utilities Commission Act* (UCA) with respect to its residential service rates, NIA rates, and Electric Tariff Terms and Conditions proposals:¹³

i. Residential Service Rates:

- (a) To expand the availability of Rate Schedule (RS) 1151 – Exempt Residential Service (RS 1151) to all residential customers and to change the name of RS 1151 to Rate Schedule 1151 – Residential Service – Flat Rate, effective April 1, 2025.
- (b) To cancel the multi-residential service rates (i.e. RS 1121 – Multi-Dwelling RIB Rate, RS 1161 – Multi-Dwelling Flat Rate), effective the later of April 1, 2025 or the BCUC approved effective date.
- (c) To apply the following RIB Rate pricing principles on an ongoing basis subject to a filing by BC Hydro to provide the associated bill impacts, based on the rates proposed in BC Hydro's next revenue requirements application (RRA):

¹⁰ BC Hydro Fiscal 2024 Residential Inclining Block Rate Pricing Principles Application, Decision and Order G-140-23 dated June 13, 2023, p. 13.

¹¹ Exhibit B-1, Section 1.1, p. 1-2 to 1-4; Exhibit B-1-1, Appendix A; Exhibit B-1-4, Appendix A Revision 1; BC Hydro Final Argument, p. 2.

¹² Exhibit B-1, Section 1.1, p. 1-5.

¹³ Exhibit B-1-1, Appendix A; Exhibit B-1-4, Appendix A Revision 1.

- i. Basic Charge: Apply the general rate increase;
- ii. Step 2 Energy Charge: Hold the Step 2 Energy Charge constant at 14.08 cents per kilowatt-hour (kWh); and
- iii. Step 1 Energy Charge: Apply the rate increase necessary so that, on a forecast basis, BC Hydro will earn the same revenue in the fiscal year from its RS 1101 customers as if:
 - a) The general rate increase had been applied equally to all three charges of RS 1101;
 - b) The availability of the Flat Rate was not expanded to all residential customers in the integrated service area; and
 - c) RS 1121 and RS 1161 were not cancelled.
- (d) To change the name of Rate Schedule 1101 – Residential Service to Rate Schedule 1101 – Residential Service – Tiered Rate.

ii. Non-Integrated Area Rates:

- (a) To expand the availability of the following rate schedules to customers in the NIA and to transition customers in the NIA to the appropriate rate schedule by the later of April 1, 2025 or the BCUC approved effective date:
 - i. Residential Service: RS 1101, RS 1151 and RS 2101;
 - ii. Small General Service: RS 1300, 1301, 1310, 1311 (collectively referred to as RS 1300);
 - iii. Medium General Service: RS 1500, 1501, 1510, 1511 (collectively referred to as RS 1500);
 - iv. Large General Service: RS 1600, 1601, 1610, 1611 (collectively referred to as RS 1600); and
 - v. Irrigation Service: RS 1401 – Irrigation Service (RS 1401).
- (b) To cancel the following rate schedules applicable to the NIA, effective the later of April 1, 2025 or the BCUC approved effective date:
 - i. Residential Service: RS 1107, RS 1127 and RS 1148;
 - ii. General Service: RS 1200, 1201, 1210, 1211 (collectively referred to as RS 1200);
 - iii. Zone II Small General Service (Under 35 kilowatt [kW]): RS 1234; and
 - iv. Zone II General Service (35 kW and Over): RS 1255, 1256, 1265, 1266 (collectively referred to as RS 1255).
- (c) To recover the resulting forecast revenue reduction from the above changes from all ratepayers through general rates.

iii. Electric Tariff:

(a) To update the following Electric Tariff Terms and Conditions, as shown in Appendix B of the Application,¹⁴ including:

- i. Clarification that the Terms and Conditions are applicable to Electric Tariff supplements, including customers receiving Transmission Service, on the title page and in Section 1.1.1;
- ii. Removal of the master-metering option for multi-unit residential properties in Section 4.4;
- iii. Amendments regarding the obligations of electricity resellers in Section 9.1;
- iv. Amendments to the back-billing provisions in Section 5.7;
- v. Updates of standard charges outlined in Section 6 and provided in Section 11;
- vi. Removal of the option for BC Hydro to supply transformers on primary voltage services in Section 3.13;
- vii. Amendments to clarify customer responsibilities when voltage conversion is required in Section 3.7; and
- viii. Various amendments to address administrative and housekeeping issues, as summarized in Tables 7-7 and 7-8 of the Application.

(b) To update the Electric Tariff Rate Schedules, as shown in Appendix B of the Application,¹⁵ as follows:

- i. Updates to the following rate schedules to reflect the proposed change from the definitions of Rate Zone I, IB and II to the definitions of Integrated Service Area and Non-Integrated Service Area: 1101, 1105, 1151, 1253, 1268, 1280, 1289, 1300, 1401, 1500, 1600, 1640, 1641, 1642, 1643, 1650, 1651, 1652, 1643, 1702, 1704, 1755, 1823, 1828, 1830, 1853, 1880, 1891, 1892, 1894, 1895, 2101, 4100;
- ii. Update to RS 1401 to change the mid-season meter reading to June instead of July; and
- iii. Updates to the following rate schedules to consolidate special conditions related to unmetered accounts under a new Section 5.9 Unmetered Loads: 1300, 1702, 1704.

In addition, during the course of responding to IRs, BC Hydro requested confidential treatment, with supporting rationale, for certain information provided.¹⁶

1.2 Regulatory Process and Participants

By Order G-190-24, the BCUC established a regulatory timetable for the review of the Application, which included, among other things, intervenor registration, one round of information requests (IRs), and final and reply arguments.

¹⁴ As revised by errata and updates in Exhibit B-1-4.

¹⁵ As revised by errata and updates in Exhibit B-1-4.

¹⁶ Exhibit B-3, Cover Letter, p. 1; Exhibit B-4, Cover Letter, p. 1.

Fourteen interveners / intervener groups were registered in this proceeding with scope limitations set out in a BCUC letter dated August 29, 2024.¹⁷ The following interveners actively participated:

- Movement of United Professionals (MoveUP);
- Wyse Meter Solutions Inc. (Wyse);
- BC Sustainable Energy Association (BCSEA);
- British Columbia Old Age Pensioners' Organization et al. (BCOAPO);
- Commercial Energy Consumers Association of BC (the CEC);
- Residential Consumer Intervener Association (RCIA);
- The City of Vancouver, Metro Vancouver Regional District, District of North Vancouver, and the City of Richmond (The Local Government Intervenor or the LGIs); and
- Kwadacha Nation and Tsay Keh Dene Nation, together the Zone II Ratepayers Group (Zone II RPG) and Gitga'at First Nation (GFN).

The BCUC received nine letters of comment related to the residential service rates proposal,¹⁸ the NIA rates proposal,¹⁹ and BC Hydro's proposal to eliminate the master-metering option for new multi-unit residential buildings (MURBs) in its Electric Tariff.²⁰ Additionally, the BCUC accepted a letter of comment filed by MoveUP in relation to BC Hydro's NIA rates proposal following BC Hydro's reply argument.²¹

1.3 Legislative Framework and Ratemaking Principles

Sections 58 to 61 of the UCA pertain to the setting and amendment of rates. Pursuant to sections 59 and 60(1)(a) and (b) of the UCA, when setting rates, the BCUC must take into account all matters that it considers proper and relevant affecting the rate, and, amongst other things, must have due regard to setting a rate that is not unjust or unreasonable and not unduly discriminatory or unduly preferential. Section 60(1)(b.1) states that the BCUC may use any mechanism, formula or other method of setting the rate that it considers advisable and may order that the rate derived from such a mechanism, formula or other method is to remain in effect for a specified period. The Panel conducts its review of the Application based on this legislative authority.

BC Hydro states its proposals in the Application are guided by the eight rate design criteria identified by Dr. James Bonbright in *Principles of Public Utility Rates* (Bonbright Criteria). In the Application, BC Hydro provides its assessment of its residential service rates and NIA rate proposals against the Bonbright Criteria.²²

¹⁷ Exhibit A-3.

¹⁸ Exhibit D-1; Exhibit D-39; Exhibit D-53; Exhibit D-9; Exhibit D-27; Exhibit D-49; Exhibit D-51; and Exhibit D-52.

¹⁹ Exhibit D-48.

²⁰ Exhibit D-39.

²¹ Exhibit C2-3.

²² Exhibit B-1, Section 2.2.2, pp. 2-3, 2-5, Section 4.6.1, p. 4-42, Section 6.5.1, p. 6-27.

1.4 Engagement and Decision Framework

To inform the Application, BC Hydro engaged with approximately 5,500 customers and 700 stakeholders, including municipalities, interveners, interested parties and associations, and First Nations.²³ BC Hydro's engagement efforts spanned between Spring 2023 and May 2024, covering each topic of the Application.²⁴ BC Hydro's engagement activities included quantitative surveys, qualitative research, working group meetings, one-on-one meetings, engagement sessions, and email correspondences.²⁵ BC Hydro states that customer and stakeholder feedback was generally supportive of its proposed changes to the residential service rates, NIA rates and its Electric Tariff.²⁶ In addition, BC Hydro also retained the Brattle Group to conduct a review of residential rates in other jurisdictions.²⁷

Due to BC Hydro's pre-application research and engagement efforts, BC Hydro states that it has addressed issues raised by customers and stakeholders in the pre-application phase and submits that the Application reflects customer and stakeholder input.²⁸ The Panel acknowledges BC Hydro's engagement efforts in preparation for the Application and considers that it contributed to an efficient regulatory review process.

This decision addresses the concerns raised during this proceeding and the Panel's final determinations on the Application, as follows:

- Section 2.0 examines concerns related to BC Hydro's residential service rates proposal, including an evaluation of the RIB Rate pricing principles and resulting rate impacts, the appropriate implementation of the Flat Rate as an optional rate for all residential customers, and the merits of cancelling the multi-residential service rates;
- Section 3.0 reviews Interveners' concerns with respect to BC Hydro's NIA rates proposal, including submissions that BC Hydro's current NIA rates are unduly prejudicial and an assessment of the bill impacts for commercial customers resulting from the proposal; and
- Section 4.0 considers concerns related to BC Hydro's proposed updates to its Electric Tariff Terms and Conditions, including whether the proposed amendments to remove the master metering option for new MURBs and to modify rules for back-billing of unmetered services are reasonable.

2.0 BC Hydro's Residential Service Rates Proposal and Issues Arising

The tiered RIB Rate (i.e. RS 1101) structure, currently the default rate structure for residential customers in BC Hydro's integrated service area, was first introduced in 2008 in response to the BC Government's 2007 Energy Plan objective of encouraging electricity conservation through rate structures. The RIB Rate went into effect in October 2008 and currently applies to close to two million or 99 percent of BC Hydro's residential customers.²⁹

²³ Exhibit B-1, Section 3.1, p. 3-1, Section 3.2, p. 3-2, Section 3.2.4, p. 3-8.

²⁴ Exhibit B-1, Section 3.2, p. 3-2.

²⁵ Exhibit B-1, Section 3.2.3, Table 3-1, pp. 3-4 to 3-8.

²⁶ Exhibit B-1, Section 3.3.3, p. 3-16, Section 3.5.4, p. 3-47, Section 3.6, p. 3-49.

²⁷ Exhibit B-1, Section 2.6, p. 2-17.

²⁸ Exhibit B-1, Section 3.1, p. 3-1; BC Hydro Final Argument, p. 3.

²⁹ Exhibit B-1, Section 4.2.1, Table 4-1, p. 4-3, Section 4.2.2, p. 4-5; BC Hydro 2008 RIB Rate Application, Final Order G-124-08 with Reasons for Decision.

Under the RIB Rate structure, customers are charged a daily basic charge (Basic Charge), as well as one rate for electricity use (Step 1 Energy Charge) up to a certain threshold in each billing period, and a higher rate for all electricity use beyond that threshold (Step 2 Energy Charge). BC Hydro states that the Step 1 to Step 2 threshold was set at 1,350 kWh per two-month billing period, which was approximately 90 percent of the median consumption of BC Hydro's residential customers. BC Hydro also states that the Step 2 rate was established at its estimate of the cost of new supply, grossed up for losses, and the Step 1 rate was calculated to achieve revenue neutrality for the residential class. The over-arching objective of the tiered RIB Rate was to use pricing to encourage additional electricity conservation relative to what was achievable through a flat rate structure.³⁰

In addition to the RIB Rate, BC Hydro offers a Flat Rate (i.e. RS 1151) that is currently only available to a small group of customers. The Flat Rate had the same basic charge and flat energy charge as RS 1101 prior to the introduction of RIB Rate in 2008 and has been escalated each year by applying general rate changes equally to its basic charge and energy charge.³¹

Based on BC Hydro's recent evaluations of the RIB Rate, it concluded that the RIB Rate is no longer achieving incremental energy conservation, the Step 2 Energy Charge is higher than, and therefore no longer reflects BC Hydro's cost of new supply. Further, the inclining structure of the rate is seen as penalizing the switch to clean electricity, contrary to government policy to promote electrification and decarbonization.³²

In 2023, the BCUC directed BC Hydro to file an application for changes to the current RIB Rate design by June 30, 2024. The BCUC stated that the application must include the following: an evaluation of potential changes to, or elimination of, the RIB Rate, considering the alignment with marginal costs and cost of service; how the revised rate design supports government policy of electrification and decarbonization; and whether the revised rate design provides greater flexibility to modify rates over time or add optional rates to reflect changes to the policy and economic environment within which BC Hydro operates.³³

Accordingly, BC Hydro submits this Application to continue to extend the current RIB Rate pricing principles to apply the general rate increase to the Basic Charge, freeze the Step 2 Energy Charge and increase the Step 1 Energy Charge to maintain revenue neutrality on a forecast basis (as described in Section 2.1 below).³⁴ BC Hydro anticipates the RIB Rate charges will be close to the Flat Rate charges in fiscal 2028, at which time BC Hydro plans to apply to merge the two rate schedules, resulting in the elimination of the RIB Rate.³⁵ In addition, BC Hydro is requesting to expand the availability of the Flat Rate to all residential customers as an optional rate and cancel the multi-residential service rates.³⁶

The subsections below address each of BC Hydro's residential service rate proposals and issues raised.

³⁰ Exhibit B-1-1, Appendix G-1, p. iii; Exhibit B-1, Section 4.3.2, Table 4-3, p. 4-16.

³¹ Exhibit B-1, Section 4.3.2, pp. 4-15 to 4-16.

³² Exhibit B-1, Section 4.2.2, pp. 4-8 to 4-9.

³³ BC Hydro Fiscal 2024 Residential Inclining Block Rate Pricing Principles Application, Decision and Order G-140-23 dated June 13, 2023, p. 13.

³⁴ Exhibit B-1, Section 4.3.4, p. 4-23.

³⁵ Exhibit B-1, Section 4.3.4, p. 4-24.

³⁶ Exhibit B-1, Section 4.3.1, p. 4-14.

2.1 Extend the Current BCUC-Approved RIB Rate Pricing Principles

Since the introduction of the RIB Rate in 2008, it has been necessary to establish pricing principles each fiscal year to determine how the general rate changes arising from BC Hydro's RRA would apply to each of the three components of the RIB Rate offered under RS 1101.³⁷ The RIB Rate pricing principle of uniformly changing the RIB Rate components by the approved RRA rate changes for the period has generally been maintained and approved by the BCUC, with the exception of fiscals 2012 to 2014 inclusive when the Step 2 Energy Charge had to increase at a rate higher than the approved RRA rate increase to align with BC Hydro's long-run marginal cost of new supply.³⁸

From fiscal 2023 onwards, the BCUC found there was no economic justification to increase the Step 2 Energy Charge nor any compelling evidence of the specific value at which the Step 2 Energy Charge should be set. As such, the BCUC reduced the price differential between the Step 1 and Step 2 Energy Charges by "freezing" the Step 2 Energy Charge, increasing the Basic Charge by the general rate increase, and increasing the Step 1 Energy Charge to collect the same amount of forecast revenue had the general rate increase been applied equally to the three charges of the RIB Rate.³⁹

In the Application, BC Hydro proposes to extend the RIB Rate pricing principles to continue to freeze the Step 2 Energy Charge, apply the general rate increase to the Basic Charge, and to increase the Step 1 energy charge by the amount required to offset the forecast revenue shortfall resulting from: (a) the Step 2 Energy Charge freeze, (b) the expanded availability of RS 1151 (as discussed in Section 2.2 of this decision) and (c) the cancellation of multi-residential service rates (as discussed in Section 2.3 of this decision), until the RIB Rate charges are close to the Flat Rate charges at which time BC Hydro would apply to the BCUC to merge the two rate schedules.⁴⁰

In addition, BC Hydro proposes to rename RS 1101 from "Residential Service" to "Residential Service – Tiered Rate" to distinguish between the RIB Rate and the Flat Rate until BC Hydro applies to merge the two rate schedules.⁴¹

BC Hydro presents the forecast RIB Rate and Flat Rate charges after applying the proposed RIB Rate pricing principles in accordance with the forecast general rate increase for each fiscal year provided in BC Hydro's Application to Set the Deferral Account Rate Rider (DARR) and Trade Income Rate Rider (TIRR) for Fiscal 2025 in Table 1 below. As shown in the table, under BC Hydro's proposal, the Step 1 Energy Charge is expected to move closer to the Flat Rate energy charge each year, achieving parity in fiscal 2028.⁴²

³⁷ Exhibit B-1, Section 4.2.2, pp. 4-9 to 4-11.

³⁸ Exhibit B-1, Section 4.2.2.6, pp. 4-9 to 4-11.

³⁹ Exhibit B-1, Section 4.2.2, p. 4-11; Order G-210-22 dated July 25, 2022; Order G-140-23 dated June 13, 2023; Order G-61-24 dated March 8, 2024.

⁴⁰ Exhibit B-1, Section 4.1, pp. 4-1 to 4.2, Section 4.3.4, pp. 4-23 to 4-24.

⁴¹ Exhibit B-1, Section 4.3.4, p. 4-24.

⁴² Exhibit B-1, Section 4.3.4, Footnote 58, p. 4-26.

Table 1: Forecast RIB Rate and Flat Rate Charges⁴³

Charges	F2025	F2026	F2027	F2028
Flat Rate				
Basic Charge (\$/day)	0.2403	0.2608	0.2643	0.2735
Energy Charge (\$/kWh)	0.1221	0.1325	0.1343	0.1390
RIB Rate – Extending Current Pricing Principles				
Basic Charge (\$/day)	0.2253	0.2445	0.2478	0.2735
Step 2 Energy Charge (\$/kWh)	0.1408	0.1408	0.1408	0.1380
Step 1 Energy Charge (\$/kWh)	0.1097	0.1266	0.1294	0.1380
RIB Rate – Further Increases to Step 1 Energy Charge to Offset Forecast Revenue Reduction				
Cancelling Multi-Residential Service Rates ⁶⁷	0.1097	0.1266	0.1295	0.1380
Cancelling Multi-Residential Service Rates and Offering Optional Flat Rate ⁶⁸	0.1097	0.1270	0.1298	0.1380

BC Hydro provides several supporting reasons for its proposal. Firstly, the RIB Rate is no longer achieving incremental energy conservation.⁴⁴ Secondly, the BCUC has previously determined that the long-run marginal cost of new supply continues to be the appropriate reference for the Step 2 Energy Charge. However, BC Hydro states that the RIB Rate Step 2 Energy Charge at 14.08 cents per kWh is currently significantly higher than the long-run marginal cost of new supply. Therefore, there is no economic justification to increase the Step 2 Energy Charge above 14.08 cents per kWh.⁴⁵ Finally, though the BC Government’s CleanBC sets out a goal to “increase our use of cleaner energy, especially electricity, in our lives and in key sectors of our economy – shifting away from our reliance on fossil fuels for transportation, industry, and housing,” customers have complained to BC Hydro that the RIB Rate is a barrier to customer decarbonization and electrification. The higher Step 2 Energy Charge is seen by some customers as penalizing the switch to clean electricity because such choices will increase Step 2 energy consumption at its higher cost.⁴⁶ In addition, BC Hydro assessed its proposed residential rate design changes against the Bonbright Criteria and BC Hydro’s four rate design objectives of economic efficiency, decarbonization, flexibility and affordability, and submits its proposal aligns well with these criteria and objectives.⁴⁷

While approximately 21 percent of RIB Rate customers, who pay for relatively higher amounts of their electricity consumption at the Step 2 Energy Charge, could achieve immediate bill savings by taking service under the optional Flat Rate described in the next section, customers with lower consumption may see a bill increase under the Flat Rate.⁴⁸

BC Hydro states, based on the forecast general rate increases and rate riders set out in its application to set the DARR and TIRR for Fiscal 2025, no customers would be expected to experience “rate shock” (i.e. bill increases

⁴³ Exhibit B-1, Section 4.3.5, Table 4-12, p. 4-30.

⁴⁴ Exhibit B-1, Section 4.2.2, pp. 4-7 to 4-8.

⁴⁵ Exhibit B-1, Section 4.2.2, p. 4-8.

⁴⁶ Exhibit B-1, Section 4.2.2, p. 4-9; Section 4.4.2, pp. 4-32 to 4-33.

⁴⁷ Exhibit B-1, Section 4.6.1, p. 4-41, Section 4.6.2, pp. 4-43 to 4-44; Exhibit B-4, RCIA IRs 5.1 and 6.1.

⁴⁸ Exhibit B-1, Section 4.3.2, p. 4-17; Exhibit B-3, BCUC IR 2.1.1.

greater than 10 percent) under its RIB Rate pricing principles proposal. However, the forecast general rate increases and rate riders as set out in that application are not current and BC Hydro expects to have an updated forecast when it files its next RRA.⁴⁹

To address the lack of current rate forecasts, BC Hydro submits that the BCUC should approve the proposed RIB Rate pricing principles on an ongoing basis, subject to a filing by BC Hydro to provide the associated bill impacts, based on the rates proposed in BC Hydro's next RRA. At that time, BC Hydro could propose an adjustment to the pricing principles to manage the associated bill impacts, if required.⁵⁰

Positions of Parties

Intervenors are generally supportive of BC Hydro's proposed RIB Rate pricing principles.⁵¹ A number of letters of comment also expressed support for BC Hydro's residential rate proposals.⁵² However, some intervenors raised concerns regarding the rate impact, especially on low-income and low-consumption residential customers.

The LGIs are concerned that phasing out the RIB Rate will negatively impact low-income customers with low levels of consumption who currently benefit from the lower Step 1 rate under the RIB Rate.⁵³ The LGIs request that any future rate design applications include a more robust analysis of how rate design changes impact low-income customers.⁵⁴

BCSEA supports expanding the availability of the Flat Rate with a caveat that the BCUC require BC Hydro to report and propose options to the BCUC if the Step 1 Energy Charge rises to a level that causes rate shock for customers continuing to take service on the RIB Rate.⁵⁵

BCOAPO recommends that the BCUC direct BC Hydro to provide in applications that adjust future residential rates, information not only on "total bill impacts segmented (at a minimum) by consumption level, income level and region but also a breakdown as to the contribution the various elements of its current overall rate design proposals (e.g., RIB pricing principles, optional availability of Flat rates, and the elimination of multi-residential rates) to the total bill impacts."⁵⁶

In reply, BC Hydro submits that the LGIs', BCSEA's and BCOAPO's recommendations for additional reporting and review, can be accommodated through BC Hydro's proposal to provide the associated bill impacts concurrently with the next RRA, based on the rates BC Hydro proposes.⁵⁷

RCIA submits while the Flat Rate will benefit residential consumers with larger loads likely from the outset, it offers limited, if any, advantage to low-income customers and could potentially create hardships for these

⁴⁹ Exhibit B-3, BCUC IR 2.2.1.

⁵⁰ Exhibit B-3, BCUC IR 2.2.1.

⁵¹ MoveUP Final Argument, pp. 2–3; BCSEA Final Argument, p. 1; BCOAPO Final Argument, p. 18; RCIA Final Argument, PDF p. 9; the CEC Final Argument, p. 9.

⁵² Exhibit D-1; Exhibit D-39; Exhibit D-53.

⁵³ The LGIs Final Argument, p. 2.

⁵⁴ The LGIs Final Argument, pp. 2, 4.

⁵⁵ BCSEA Final Argument, p. 5.

⁵⁶ BCOAPO Final Argument, pp. 17–18.

⁵⁷ BC Hydro Reply Argument, pp. 7 – 8.

ratepayers, particularly if implemented too quickly.⁵⁸ RCIA recommends any final convergence of the RIB Rate into the Flat Rate not occur earlier than fiscal 2028, and only after further regulatory review.⁵⁹ RCIA further submits to ensure a balanced and equitable transition, it supports BC Hydro's proposal to provide regular updates on the impact of its pricing principles on residential customers with a focus on low-income customers.⁶⁰ These updates should allow the BCUC to assess whether the transition to the Flat Rate is progressing at a pace that enables vulnerable groups to adapt while maintaining revenue neutrality.⁶¹

In reply to RCIA, BC Hydro confirms that under BC Hydro's most recent rate forecast, no customer is expected to face rate shock and the RIB Rate and Flat Rate would not be merged until fiscal 2028. BC Hydro expects that application of the proposed pricing principles, with any adjustments necessary to avoid rate shock, would maintain this timeline to allow for RCIA's recommended "transition period."⁶² BC Hydro further confirms the merger of the two rate schedules will require a separate application to the BCUC.⁶³

Intervenors expressed interest in more rate option offerings, including lifeline rates and low-consumption rates.⁶⁴ The LGIs request that the BCUC order BC Hydro to bring forward an application with additional residential rate options, including an assessment of how the rate options impact low-income customers, by the end of 2025 so that these options can be considered before the RIB Rate is phased out.⁶⁵ Concerns regarding the impact on low-income and vulnerable households are also echoed in a letter of comment.⁶⁶

In reply, BC Hydro states it continues to explore other optional rates for residential customers and plans to initiate customer engagement in early 2025.⁶⁷ As part of this work, BC Hydro states it will consider whether there may be an existing legal basis to advance an income-qualified discount for customers.⁶⁸ However, BC Hydro submits that the BCUC should not direct it to pursue any specific rate options on a particular timeline, because: (1) the timing and designs of any additional optional rates will depend on customer and stakeholder feedback; (2) the RIB Rate, Flat Rate and the recently launched Time-of-Day Rate offer rate options for customers to explore ways to reduce their electricity bills and to choose a rate that best suits their needs; and (3) BC Hydro anticipates that the RIB Rate will not be phased out before fiscal 2028, which means that lower consumption customers can still benefit from the lower Step 1 Energy Charge during this transition period.⁶⁹

The CEC submits that any adverse future impacts on revenue to cost ratios of commercial rate classes associated with BC Hydro's residential service rates proposal in the Application will likely require redress in subsequent years based on BC Hydro's annual fully allocated cost of service studies. The CEC recommends that the BCUC suggest to BC Hydro to consider a review of revenue to cost ratios following the stages of implementation for

⁵⁸ RCIA Final Argument, PDF pp. 10–11.

⁵⁹ RCIA Final Argument, PDF p. 12.

⁶⁰ RCIA Final Argument, PDF p. 12.

⁶¹ RCIA Final Argument, PDF p. 12.

⁶² BC Hydro Reply Argument, pp. 8–9.

⁶³ BC Hydro Reply Argument, p. 9.

⁶⁴ MoveUP Final Argument, pp. 2, 6–9; the LGIs Final Argument, p. 2; the CEC Final Argument, p. 8; RCIA Final Argument, PDF p. 12.

⁶⁵ The LGIs Final Argument, pp. 2, 4.

⁶⁶ Exhibit D-27.

⁶⁷ BC Hydro Reply Argument, p. 9.

⁶⁸ BC Hydro Reply Argument, pp. 10–11.

⁶⁹ BC Hydro Reply Argument, p. 10.

the residential service rates proposals to maintain stability of the relationship between the commercial rates relative to the residential rates.⁷⁰

In reply, BC Hydro submits that no such direction from the BCUC is required because this review is already carried out regularly as part of BC Hydro's annual fully allocated cost of service study filings.⁷¹

Panel Determination

The Panel approves the following RIB Rate pricing principles on an ongoing basis, effective April 1, 2025:

- I. Basic Charge: Apply the general rate increase;**
- II. Step 2 Energy Charge: Hold the Step 2 Energy Charge constant at 14.08 cents per kWh; and**
- III. Step 1 Energy Charge: Apply the rate increase necessary so that, on a forecast basis, BC Hydro will earn the same revenue in the fiscal year from its RS 1101 customers as if:**
 - a. The general rate increase had been applied equally to all three charges of RS 1101;**
 - b. The availability of the Flat Rate was not expanded to all residential customers in the integrated service area; and**
 - c. RS 1121 and RS 1161 were not cancelled.**

The Panel also approves BC Hydro's request to change the name of Rate Schedule 1101 – Residential Service to Rate Schedule 1101 – Residential Service – Tiered Rate. The Panel considers the name change appropriately reflects the rate structure and provides clarity to distinguish the RIB Rate from the Flat Rate.

The Panel notes the RIB Rate is no longer aligned with the rate design principles for this rate when it was initially established. Specifically, we accept BC Hydro's evidence that the RIB Rate is no longer achieving energy savings and the Step 2 Energy Charge no longer reflects the long-run marginal cost of new supply thereby encouraging an inefficient level of consumption. Therefore, the Panel agrees with BC Hydro that there is a cost of service justification for BC Hydro's RIB Rate pricing principles proposal. The Panel also agrees that the proposal to flatten the RIB Rate supports government policy by removing a barrier to electrification and decarbonization. Based on the Panel's consideration of BC Hydro's proposal against the Bonbright Criteria and applicable legislative framework, the Panel finds BC Hydro's proposal not unjust, unreasonable, unduly discriminatory or unduly preferential and should be approved.

The Panel is satisfied with BC Hydro's proposal to submit a filing concurrent with the next RRA to include information on bill impacts to customers, including low-income customers, and propose any adjustments, if necessary to manage bill impacts. The Panel does not see the need at this time for more frequent reporting given the short transition period over which the RIB Rate and the Flat Rate are expected to converge and the lack of meaningful data in the early stages of introducing the Flat Rate to all residential customers. Further, the value of reporting to inform decision making does not apply as the gradual flattening of the RIB Rate under the approved RIB Pricing Principles will lead to the eventual convergence with the Flat Rate. However, the Panel considers there is value in seeing BC Hydro's proposed bill impacts to customers to be filed concurrently with each future RRA until BC Hydro applies to cancel the RIB Rate. The Panel considers it important to monitor the

⁷⁰ The CEC Final Argument, p. 11.

⁷¹ BC Hydro Reply Argument, p. 13.

rate impact on customers arising from the ongoing RIB pricing principles each time BC Hydro requests a rate change.

Therefore, BC Hydro is directed to file a compliance filing concurrently with each future rate change submitted following the issuance of this decision, until BC Hydro files an application to merge the Flat Rate and the RIB Rate, to at least include the following:

- **Information on bill impacts to customers by consumption level, and identify the proportion of low-income customers in each consumption level if available, resulting from the approved RIB Rate pricing principles, the optional availability of the Flat Rate to all customers, and elimination of multi-residential service rates, respectively;**
- **Discussion on whether any adjustment to the approved RIB Rate pricing principles is necessary to manage bill impacts. If so, include the proposed adjustment(s); and**
- **An updated forecast of when the Flat Rate and RIB Rate are expected to converge.**

With regards to interveners' suggestion for the BCUC to direct BC Hydro to explore further residential rate choices, the Panel recognizes that exploring new rate options requires additional research and customer engagement, as was done in preparation for this Application, and is of the view that BC Hydro is in the best position to work within its and its customers' resources and timelines in arriving at a future rate proposal. Therefore, the Panel does not see the need to direct BC Hydro to pursue any specific rate options on a particular timeline. The Panel also does not see the need to direct BC Hydro to present specific content or to use a specific format (such as regarding how bill impact is presented) in future residential rate design applications at this time. The Panel considers the regulatory process to review the future rate design application to be the appropriate time to request additional evidence if necessary. The Panel encourages BC Hydro to continue exploring other optional rates and continue to engage with customers during this process, and looks forward to seeing further rate options put forward by BC Hydro.

With regards to the CEC's request for BC Hydro to review revenue to cost ratios following the implementation of its residential rate proposals, the Panel encourages BC Hydro to include a section in its annual fully allocated cost of service study filing to discuss the impacts to its revenue to cost ratios from the determinations made in this decision, once the data is available.

2.2 Expand Availability of the Flat Rate as an Option for All Residential Customers

The Flat Rate (i.e. RS 1151) is currently only available to a small group of customers, with approximately 14,000 Zone I farm customers and 500 Zone IB residential customers taking service.⁷² As noted in Section 1.1 of this decision, BC Hydro proposes to rename RS 1151 from "Exempt Residential Service" to "Residential Service – Flat Rate" and to expand the availability of the Flat Rate as an optional rate to all residential customers, including all customers living in the integrated service area (i.e. Rate Zone I), multi-residential service customers receiving service through a single account and customers living in Rate Zone II.⁷³ BC Hydro submits that expanding the

⁷² Exhibit B-1, Section 4.3.2, pp. 4-15 to 4-16.

⁷³ Exhibit B-1, Section 4.3.2, pp. 4-16 to 4-17.

availability of the Flat Rate to all residential customers will allow customers to switch to the Flat Rate immediately, or to choose to stay on the RIB Rate until it is merged with the Flat Rate.⁷⁴

Section 2.1 of the decision describes BC Hydro's rationale for adjusting towards a flat rate and this applies equally to the expanded availability of this optional Flat Rate.⁷⁵

As noted earlier, BC Hydro estimates that approximately 21 percent of RIB Rate customers who pay for higher amounts of their electricity consumption at the Step 2 Energy Charge could achieve immediate bill savings by taking service under the optional Flat Rate. Further, BC Hydro states that customers who have electric heating, charge electric vehicles at home, have larger households, live in colder areas or have no access to natural gas are more likely to benefit from the optional Flat Rate.⁷⁶

With regards to the implementation of the optional Flat Rate, BC Hydro proposes to add a special condition to RS 1151 such that residential customers would be able to opt-in or opt-out of the Flat Rate at any time during the year, with the rate change taking place on the first day of the next billing period.⁷⁷ BC Hydro submits that offering the flexibility for customers to try out the optional Flat Rate without having to commit to an extended period of time on the rate, will encourage customers to try out the Flat Rate and determine whether it best meets their needs.⁷⁸

BC Hydro states the average bill savings for customers who could potentially benefit from switching between the RIB Rate and Flat Rate more than once during a year is approximately \$6 in each of fiscal 2026 and fiscal 2027.⁷⁹ Considering the small incremental bill savings, BC Hydro expects the risk of a higher revenue reduction from customers deciding to switch between the RIB Rate and Flat Rate more than once during a year is very low.⁸⁰ BC Hydro does not expect material cost shifting to result from allowing customers to switch between rates during a year until the Flat Rate and RIB Rate are merged.⁸¹

Positions of Parties

No interveners opposed BC Hydro's proposal to expand the availability of the current Flat Rate to all residential customers.⁸² However, BCOAPO raised a concern regarding BC Hydro's proposal to allow customers to switch between the Flat Rate and the RIB Rate.

BCOAPO submits BC Hydro has likely underestimated the revenue loss associated with the optional Flat Rate because: (1) those who opt-in to the Flat Rate are likely to be customers with higher savings rather than the "average saver" as assumed by BC Hydro; and (2) the participation rate may be higher than assumed if customers who may benefit from switching more than once between the RIB Rate and Flat Rate are considered

⁷⁴ BC Hydro Final Argument, p. 10.

⁷⁵ Exhibit B-1, Section 4.6.2, p. 4-43.

⁷⁶ Exhibit B-1, Section 4.3.2, pp. 4-17 to 4-18.

⁷⁷ Exhibit B-1, Section 4.3.2, p. 4-18.

⁷⁸ Exhibit B-1, Section 4.3.2, p. 4-18.

⁷⁹ Exhibit B-4, MoveUP IR 1.1. BC Hydro's IR numbering includes the IR round number and the IR number itself.

⁸⁰ Exhibit B-4, MoveUP IR 1.1.

⁸¹ Exhibit B-4, MoveUP IR 1.1.

⁸² The LGIs Final Argument, p. 2; MoveUP Final Argument, pp. 2-3; BCESA Final Argument, p. 5; RCIA Final Argument, PDF p. 9; The CEC Final Argument, p. 8; BCOAPO Final Argument, p. 20.

in the participation rate estimate.⁸³ BCOAPO submits that given the short transition period when the two rate schedules will co-exist (i.e. 2 to 3 years), allowing customers who opted early for the Flat Rate one opportunity at most to opt out will avoid some of the potential revenue loss while still giving customers some flexibility.⁸⁴ In reply, BC Hydro disagrees with BCOAPO's alternative for three reasons: (1) BC Hydro does not expect switching in and out of the Flat Rate to occur often because the average bill savings for customers who could potentially benefit from switching between the RIB Rate and Flat Rate would be limited to incent such a behaviour;⁸⁵ (2) the benefit of offering the flexibility for customers to try out the optional Flat Rate without having to commit to an extended period of time on the rate outweighs the limited risks of potential revenue loss⁸⁶; and (3) restricting customers' ability to opt-out of the Flat Rate would result in different rules for different rates, as the Time-of-Day Rate (i.e. RS 2101) does not have this restriction.⁸⁷

Panel Determination

The Panel approves BC Hydro's proposal to change the name of RS 1151 – Exempt Residential Service to Rate Schedule 1151 – Residential Service – Flat Rate and to expand the availability of RS 1151 to all residential customers, effective April 1, 2025. The Panel considers the name change appropriately reflects the rate structure and the expanded availability of the Flat Rate to all residential customers. The Panel finds the proposed expansion of the Flat Rate reasonable because it aligns better with BC Hydro's long-run marginal cost of new supply than the RIB Rate Step 2 Energy Charge and therefore, will send better price signals to customers and encourage a more efficient level of consumption. Further, offering the Flat Rate as an option to all residential customers will support decarbonization by encouraging customers to switch from fossil fuels to clean electricity use, as supported by the customer feedback received in BC Hydro's consultation process.

Regarding BC Hydro's proposal to allow customers to opt-in or opt-out of the Flat Rate at any time during the year, the Panel is persuaded by BC Hydro's argument that the benefit of flexibility for customers outweighs the relatively low risk of material revenue loss. Therefore, **the Panel approves BC Hydro's proposal to add a special condition to RS 1151 to allow residential customers to opt-in or opt-out of the Flat Rate at any time, with the rate change taking place on the first day of the next billing period.**

2.3 Cancel Multi-Residential Service Rates

Multi-occupancy residential premises can install only one BC Hydro meter and take service under one of the three multi-residential service rates: RS 1121, RS 1127 or RS 1161.⁸⁸ Currently, there are 1,154 accounts covering a total of 16,311 dwellings under the three multi-residential service rates.⁸⁹ For all three of these multi-residential service rates, customers are billed the same Basic Charge per dwelling as an equivalent single-unit residential service rate. In addition, under the inclining block multi-residential service rates (i.e. RS 1121 for Zone I and RS 1127 for Zone II), customers are subject to the same Step 1 Energy Charge threshold per dwelling as RS 1101 and RS 1107 – Zone II, respectively.⁹⁰

⁸³ BCOAPO Final Argument, pp. 20–21.

⁸⁴ BCOAPO Final Argument, pp. 20–22.

⁸⁵ BC Hydro Reply Argument, p. 12.

⁸⁶ BC Hydro Reply Argument, p. 12.

⁸⁷ BC Hydro Reply Argument, p. 13.

⁸⁸ Exhibit B-1, Section 4.3.3, pp. 4-18 to 4-19.

⁸⁹ Exhibit B-1, Section 4.3.3, Table 4-5, p. 4-20.

⁹⁰ Exhibit B-1, Section 4.3.3, p. 4-19.

BC Hydro proposes to cancel multi-residential service rates and bill multi-residential service customers in the same way as single-residential service customers. Under this proposal, multi-residential service customers would no longer be subject to a “per dwelling” application of the Basic Charge and the Step 1 energy threshold.⁹¹ BC Hydro explains that a multi-residential service account incurs similar customer-related costs as a single-residential service account (i.e. BC Hydro only needs to manage one account and send one bill per billing period). Accordingly, applying one Basic Charge for multi-residential service customers rather than one Basic Charge per dwelling would better align the Basic Charge for multi-residential service accounts with BC Hydro’s cost of service.⁹² Regarding the removal of a “per dwelling” Step 1 threshold, BC Hydro submits that any bill increases from removing the “pooled” threshold at this point is more than offset by the bill savings from removing the “per dwelling” multiplier on the basic charge. Therefore, BC Hydro submits it is reasonable to remove the Step 1 “pooling” during this relatively short transition period rather than waiting until the RIB Rate and Flat Rate are merged.⁹³

BC Hydro also proposes to increase the RIB Rate Step 1 Energy Charge to offset the estimated revenue reduction from the cancellation of multi-residential service rates (i.e. RS 1121 and RS 1161). BC Hydro states all multi-residential service rates customers are expected to have bill savings from the cancellation of multi-residential service rates,⁹⁴ while increasing the RIB Rate Step 1 Energy Charge results in almost no incremental bill impact for customers who remain on the RIB Rate.⁹⁵ With respect to the revenue reduction from the cancellation of RS 1127 for Zone II, BC Hydro proposes that it would be offset through general rate increases for all ratepayers (as opposed to further increasing the RIB Rate Step 1 energy charge),⁹⁶ as discussed in more detail in Section 3.0 of this decision.

Positions of Parties

Intervenors did not oppose BC Hydro’s proposal to cancel the multi-residential service rates.⁹⁷

Panel Determination

The Panel approves the cancellation of BC Hydro’s multi-residential service rates, RS 1121 and RS 1161, effective April 1, 2025, and the transitioning of the affected customers to the appropriate rate schedule(s) by April 1, 2025.

As BC Hydro notes, a multi-residential service account incurs similar customer-related costs as a single-residential service account. Therefore, applying one Basic Charge for multi-residential service customers rather than one Basic Charge per dwelling better aligns the Basic Charge for that group of customers with their associated cost of service.

The Panel now reviews BC Hydro’s proposal to cancel RS 1127 in Section 3.0 below.

⁹¹ Exhibit B-1, Section 4.3.3, p. 4-20.

⁹² Exhibit B-1, Section 4.3.3, p. 4-21.

⁹³ Exhibit B-1, Section 4.3.3, p. 4-22.

⁹⁴ Exhibit B-1, Section 4.3.3, p. 4-22, Section 4.3.5, p. 4-29.

⁹⁵ Exhibit B-1, Section 4.5.3, p. 4-40.

⁹⁶ Exhibit B-1, Section 4.3.5, Footnote 64, p. 4-29.

⁹⁷ BCSEA Final Argument, pp. 5–6; BCOAPO Final Argument, p. 23; RCIA Final Argument, PDF pp. 12–13; MoveUP Final Argument, p. 3; the CEC Final Argument, p. 8; The LGIs did not comment on this proposal in their final arguments.

3.0 BC Hydro's Non-Integrated Area Rates Proposal and Issues Arising

As outlined in Section 1.1 of this decision, BC Hydro proposes to eliminate higher NIA rates for residential and general service customers by offering them rates that are currently available to customers in BC Hydro's integrated service area (including the Flat Rate, RIB Rate and Time-of-Day Rate) and cancelling rate schedules specific to the NIA customers (including the multi-residential service rate, RS 1127, discussed in Section 2.3 above). In addition, as part of its proposed amendments to its Electric Tariff that are addressed in Section 4.0 of this decision, BC Hydro proposes to apply the same standard charges applicable to customers in the integrated service area, as set out in Sections 11.3 and 11.4 of its Electric Tariff, to NIA customers. BC Hydro states its proposal will enhance equity and support reconciliation with First Nations in NIA communities.⁹⁸

Under BC Hydro's proposal, NIA residential customers could take service under either the Flat Rate or RIB Rate, with customers being initially placed on the rate that would result in the lowest bill for them, based on their historical consumption, subject to engagement with NIA First Nations.⁹⁹ Customers will have the option to elect to participate in the Time-of-Day optional add-on rate during this placement. Once placed on the Flat Rate or RIB Rate, residential customers would have the option of changing their rate selections, consistent with BC Hydro's proposal as described in Section 2.2 of this decision.¹⁰⁰

However, BC Hydro is not proposing to expand the availability of certain integrated service area rates to the NIA due to different system constraints in the NIA compared to the integrated system. If in the future it is feasible and practical to offer these rates to NIA customers, BC Hydro will submit separate applications to the BCUC.¹⁰¹

BC Hydro proposes that changes to the NIA rates be made effective the later of April 1, 2025 or the BCUC approved effective date. If the BCUC approves BC Hydro's proposal, BC Hydro states that it will notify NIA customers immediately and before the rate changes take place. BC Hydro also states that it will provide customer support to assist NIA customers with understanding the upcoming rate change and the estimated bill impacts, and to assist them in evaluating their rate choice.¹⁰²

The integrated service area consists of Rate Zone I, while the non-integrated service area consists of Rate Zone IB and Rate Zone II.¹⁰³ BC Hydro currently operates 14 NIA remote microgrids, which serve 28 communities and 12 First Nations. BC Hydro explains that rates in the NIA have historically been set higher than in the integrated service area to reflect the fact that there is a higher cost to serve per customer in the NIA than in the integrated service area. However, BC Hydro notes that in the integrated system, it also has variability in the cost to serve customers in different locations and those customers pay the same rates regardless of where they take service.¹⁰⁴

In the Application, BC Hydro explains that Rate Zone II rates were created in 1967 and have not been updated since, except for general rate escalations. Rate Zone II general service customers with annual peak demand

⁹⁸ Exhibit B-1, Section 6.1, p. 6-1, Section 6.2.3, p. 6-13, Section 6.3, p. 6-19.

⁹⁹ Exhibit B-1, Section 6.4.1, p. 6-21.

¹⁰⁰ Exhibit B-1, Section 6.6.2, p. 6-30.

¹⁰¹ Exhibit B-1, Section 6.2.2, p. 6-9, Section 6.2.5, pp. 6-16 to 6-17; Exhibit B-4, ZONE II RPG IR 8.1.

¹⁰² Exhibit B-1-3, Section 6.6, p. 6-29.

¹⁰³ Exhibit B-1, Section 6.2, p. 6-4.

¹⁰⁴ Exhibit B-1, Section 6.1, p. 6-1.

equal to or greater than 35 kW take service under RS 1255. BC Hydro notes that RS 1255 benefits customers with “peaky” loads (i.e. low load factors) which encourages inefficient energy use, and states that although the integrated service area rates have lower energy charges than RS 1255, a small number of customers with very low load factors will be subject to higher demand charges under BC Hydro’s proposal.¹⁰⁵

Rate Zone IB consists of Bella Bella.¹⁰⁶ In its decision on BC Hydro’s 2007 Rate Design Application, the BCUC directed BC Hydro to amend its tariff, effective April 1, 2008, to allow the Bella Bella NIA to qualify for Rate Zone I rates and indicated that BC Hydro may wish to establish a Rate Zone IB.¹⁰⁷ Rate Zone IB medium general service (MGS) and large general service (LGS) customers take service under RS 1200 Exempt General Service. BC Hydro states that these customers would experience a higher demand charge under its proposal, as the equivalent integrated service area rates were updated in 2017 to better align with BC Hydro’s fixed demand related costs.¹⁰⁸

The NIA rates proposal would either reduce or not change bills for residential customers and will reduce bills for most general service customers in the NIA. BC Hydro estimates a \$2.2 million revenue reduction resulting from its NIA rates proposal, which equates to 0.04 percent of its total revenue requirements in fiscal 2026, and proposes that it be recovered through an increase to general rates. BC Hydro submits that recovering this revenue reduction from all ratepayers is equitable because all ratepayers can be considered to have historically benefitted from the higher rates collected from NIA customers.¹⁰⁹

All NIA residential customers will pay either the same or less for their electricity, if BC Hydro’s proposal is approved. For instance, BC Hydro states that approximately 99 percent of Zone II residential customers would see bill savings averaging \$160 per year in fiscal 2026.¹¹⁰ BC Hydro explains that many general service customers in the NIA are expected to also achieve meaningful bill savings and overall, the revenue collected from NIA general service customers will be reduced, representing bill savings for those customers in aggregate.¹¹¹ For example, in Zone II, BC Hydro states that the majority of MGS and LGS customers are expected to see bill reductions averaging approximately \$10,000 and \$73,000 per year, respectively.¹¹²

However, as noted above, a small number of NIA general service customers with very low load factors will be subject to higher demand charges and are expected to see bill increases under BC Hydro’s proposal.¹¹³ For example, there are 14 Zone IB MGS accounts, of which eight are expected to experience bill increases, with an average of approximately \$2,900 per year or 7 percent in fiscal 2026, while three accounts are expected to see bill impacts greater than 10 percent. Two of the three customers, with expected bill impacts greater than 10 percent, are expected to see overall bill increases of 8 percent and 0.1 percent, respectively, when the bill impacts of their other accounts are considered. The third customer has a single account and is expected to see a bill increase of approximately \$4,400 per year or 11 percent. In Rate Zone II, there are 61 MGS accounts, of

¹⁰⁵ Exhibit B-1, Section 6.2.1, pp. 6-5 to 6-6; Exhibit B-1-3, Section 6.4.2, pp. 6-24 to 6-25.

¹⁰⁶ Exhibit B-1, Section 6.2.4, p. 6-13.

¹⁰⁷ Exhibit B-1, Section 2.3.3, p. 2-11.

¹⁰⁸ Exhibit B-1, Section 6.2.1, p. 6-7, Section 6.4.2, pp. 6-25 to 6-26.

¹⁰⁹ Exhibit B-1, Section 6.1, p. 6-1, Section 6.2.6, pp. 6-17, 6-18 to 6-19.

¹¹⁰ Exhibit B-1, Section 6.4.1, pp. 6-21 to 6-22.

¹¹¹ Exhibit B-1 Section 6.4.2, p. 6-23.

¹¹² Exhibit B-3, BCUC IR 13.2; Exhibit B-1-3, Section 6.4.2, Table 6-9, p. 6-25.

¹¹³ Exhibit B-1, Section 6.4.2, pp. 6-24 to 6-26.

which three are expected to experience bill increases greater than 10 percent in fiscal 2026 (with the highest bill increase estimated at \$4,300 per year or 120 percent). Two of these customers are expected to see overall bill reductions when the bill impacts of their other accounts are considered, while the third customer's overall bill impact is expected to remain at 40 percent.¹¹⁴ BC Hydro states that it will offer energy management support to the two MGS customers who are expected to experience overall bill increases greater than 10 percent, including energy management consultation and potential program incentives to upgrade their systems to mitigate bill impacts, but acknowledges that it may take time to implement energy management measures and the extent to which these measures can mitigate the adverse bill impacts is uncertain.¹¹⁵

There are also eight Zone II LGS accounts, of which one is expected to experience a bill increase of approximately \$4,000 per year or 7 percent in fiscal 2026 with no mitigation proposed by BC Hydro.¹¹⁶ Additionally, there are 1,154 Zone II small general service accounts, of which approximately 65 percent have very low or no consumption and consequently are expected to see bill increases averaging approximately \$24 per year or 9 percent (with a maximum bill increase of approximately \$37 per year or 36 percent). Similarly, BC Hydro does not propose any mitigation for these customers, noting that similar bill impacts to low consumption customers were experienced by integrated service area small general service customers when the current rate was updated in 2017.¹¹⁷

BC Hydro considered four rate mitigation options for NIA customers transitioning to the integrated area service rates, including to transition Zone IB and Zone II general service rates to the integrated service area general service rates over three years. However, BC Hydro did not advance this option as: (i) a transition period would delay bill savings for some customers; (ii) transition rates could be complex, difficult for customers to understand and create short-term rate instability; and (iii) it would require BC Hydro to maintain the rate separation between NIA and integrated service area for three more years. In BC Hydro's view, its proposal provides targeted support to customers that will face adverse bill impacts, without causing negative impacts to other customers, and has the potential to improve customers' energy efficiency and enable them to achieve permanent bill savings.¹¹⁸

Considering the estimated revenue and rate impacts from eliminating the NIA rates discussed above, BC Hydro submits that, to support equity and reconciliation, it is appropriate to eliminate the higher NIA rates and expand the availability of integrated service area rates to customers in the NIA as proposed.¹¹⁹

In addition, BC Hydro assessed its NIA rates proposal against the Bonbright Criteria and BC Hydro's four rate design objectives, and submits its proposal aligns well. For example, regarding the Bonbright Criteria, BC Hydro states the alignment of rates in the NIA with those in the integrated service area enhances fairness by treating all customers in its service area the same regardless of individual variations in cost of service; and encourages more efficient use of energy as the integrated service area rates were updated to improve cost alignment. Further, BC Hydro expects that applying the same residential and general service rates across its service territory

¹¹⁴ Exhibit B-1-3, Section 6.4.2, Tables 6-9 and 6-10, pp. 6-25 to 6-26; Exhibit B-3, BCUC IR 13.2.

¹¹⁵ Exhibit B-3, BCUC IR 13.2.

¹¹⁶ Exhibit B-1-3, Section 6.4.2, Table 6-9, p. 6-25; Exhibit B-3, BCUC IR 13.2.

¹¹⁷ Exhibit B-1-3, Section 6.4.2, p. 6-24; Exhibit B-3, BCUC IR 13.2.

¹¹⁸ Exhibit B-3, BCUC IRs 13.2 and 13.3.

¹¹⁹ Exhibit B-1, Section 6.3.1, p. 6-20.

will support customer understanding and acceptance and reduce controversy.¹²⁰ With respect to the Bonbright Criteria of rate stability, BC Hydro submits that its proposal to provide targeted support to adversely impacted customers is the best approach and will avoid any bill instability that would result from the alternative of transition rates.¹²¹

With respect to BC Hydro's rate design objectives of economic efficiency, decarbonization, flexibility and affordability, BC Hydro notes that its proposal is more equitable to all customers in its service area and that its integrated service area general service rates encourage efficient use of electricity. Based on BC Hydro's past evaluation results regarding the community of Iskut after moving from Zone II rates to Zone I rates, BC Hydro does not expect customers in the NIA to increase their consumption due to its NIA proposal and therefore, does not expect its proposal to result in an increase in diesel generation and greenhouse gas emissions. BC Hydro states that its proposal provides customers in the NIA with the same rate flexibility as customers in the integrated service area, such as the ability to opt-in to the Time-of-Day rate. Regarding BC Hydro's affordability objective, BC Hydro reiterates that while some general service customers will see bill increases, there will be meaningful bill savings for many general service customers, and notes that there is no material impact expected from its proposal to recover the revenue reduction associated with its NIA rates proposal from all ratepayers.¹²²

Positions of Parties

Intervenors support BC Hydro's NIA rates proposal. RCIA submits that the reduced NIA rates that are expected to result from BC Hydro's proposal should encourage electrification and clean energy adoption in regions currently reliant on higher priced diesel and other carbon-intensive energy sources. Accordingly, RCIA notes that lowering barriers to adoption of electrification technologies is consistent with provincial decarbonization objectives.¹²³ However, intervenors also raised some concerns which are discussed below.

BCOAPO submits that there is an insufficient evidentiary basis upon which the BCUC can find the necessary cost of service or economic justification for BC Hydro's NIA proposals, but submits that the best, legally defensible way forward is for the BCUC to find BC Hydro's current NIA rates unduly discriminatory or prejudicial and to approve BC Hydro's proposal on that basis.¹²⁴ In reply, BC Hydro disagrees that its NIA rates proposal lacks a cost of service basis. BC Hydro submits that its current integrated service area rates have a cost of service basis and expanding its availability to NIA customers will not change that because the number of NIA customers in each rate class taking service under the applicable rates will be relatively small. In addition, BC Hydro argues that its proposal to adjust general rates to offset the limited revenue loss will not change the cost of service analysis for rate setting purposes. Further, BC Hydro submits that its proposal is consistent with the principle, and the BCUC's past description, of "postage stamp rates," whereby customers within each class of service are charged the same rate irrespective of their geographical location or cost to serve.¹²⁵

¹²⁰ Exhibit B-1, Section 6.5, pp. 6-26 to 6-28.

¹²¹ Exhibit B-3, BCUC IR 13.4.

¹²² Exhibit B-1, Section 6.3.2, p. 6-20, Section 6.5.2, p. 6-28.

¹²³ RCIA Final Argument, PDF p. 14.

¹²⁴ BCOAPO Final Argument, pp. 33 and 41.

¹²⁵ BC Hydro Reply Argument, pp. 17-18.

MoveUP argues that the current NIA rates violate section 8 of the B.C. *Human Rights Code* and are therefore both unlawful and contrary to section 59 of the UCA.¹²⁶ In reply, BC Hydro submits that the BCUC does not have jurisdiction to apply the *Human Rights Code*, further to section 2.1(f) of the UCA and section 46.3 of the *Administrative Tribunals Act*. Additionally, BC Hydro submits that there is no indication that the current rates have the prohibited effect of discriminating against NIA customers based on Indigenous identity and it notes that the NIA includes both First Nations and non-First Nations customers, and that most First Nations communities in B.C. are served from the integrated system. Further, BC Hydro submits that its proposal removes differential treatment for NIA customers by seeking to align NIA rates with integrated service area rates.¹²⁷ In a letter of comment, MoveUP clarifies that its final argument explicitly argues that the BCUC has no authority to provide remedies for breaches of the *Human Rights Code* and its point is that the BCUC must consider the provisions of the *Human Rights Code* when exercising its powers under the UCA.¹²⁸

The CEC is satisfied with BC Hydro's reasoning and/or mitigation strategies for the three Zone II MGS accounts that are expected to experience large bill increases. However, the CEC recommends that the BCUC direct BC Hydro to adopt rate mitigation strategies to smooth out the bill impacts for the Zone IB MGS and Zone II LGS customers, which are expected to see bill increases between 7 percent and 10 percent, in line with estimated levels of inflation over a three-to-five-year period.¹²⁹ In reply, BC Hydro submits that the CEC's proposal is impractical and unduly restrictive, and should be rejected. BC Hydro explains that such a direction would mean that BC Hydro could never propose changes to its rate designs unless general rate increases were held below inflation, and that even then such rate design changes would need to be very gradual to stay below inflation.¹³⁰ Additionally, BC Hydro notes that it has committed to providing energy management support to improve energy efficiency and mitigate bill impacts for those commercial customers in the NIA that are expected to experience bill increases of 10 percent or more under its proposal.¹³¹

Zone II RPG requests that BC Hydro provide incentives to upgrade NIA customers' systems to mitigate any bill impacts and provide capacity funding to NIA communities to hire and train staff to assist community members with the NIA rates proposals and make decisions on optional rates that best meet their needs.¹³² In reply, BC Hydro states it has implemented programs that provide enhanced support for energy conservation and management for residential customers in the NIA and will continue to engage with NIA customers to provide appropriate support during the transition.¹³³

Zone II RPG and GFN request the BCUC direct BC Hydro to undertake a review of its policies, business practices, rate schedules and other relevant service provisions and report back to the BCUC on any dissimilar treatments between the NIA and the integrated service area.¹³⁴ In reply, BC Hydro submits that such a direction is not necessary, as the proposals in the Application, and in BC Hydro's Distribution Extension Policy Application which

¹²⁶ MoveUP Final Argument, pp. 1, 3–6.

¹²⁷ BC Hydro Reply Argument, pp. 15–17.

¹²⁸ Exhibit C2-3.

¹²⁹ The CEC Final Argument, pp. 2, 12–14.

¹³⁰ BC Hydro Reply Argument, p. 19.

¹³¹ BC Hydro Reply Argument, pp. 19–20.

¹³² Zone II RPG Final Argument, p. 6.

¹³³ BC Hydro Reply Argument, pp. 18–19.

¹³⁴ Zone II RPG Final Argument, p. 5 and GFN Final Argument, PDF p. 10.

is currently before the BCUC, fully address and eliminate differentiation in the Electric Tariff between the integrated service area and the NIA.¹³⁵

Additionally, Zone II RPG and GFN submit that the transition to integrated area rates should not be delayed beyond the effective date of the BCUC order approving the proposal because NIA customers have been disadvantaged with higher rates for far too long.¹³⁶ Further, GFN disagrees that the NIA rates proposal supports reconciliation and BC Hydro's United Nations Declaration on the Rights of Indigenous Peoples Implementation Plan, as the proposed changes do not exclusively benefit First Nations customers but rather benefit customers in the NIA areas that include both First Nations and non-First Nations communities.¹³⁷ BC Hydro does not address these specific submissions in its reply argument.

Panel Determination

The Panel approves the following NIA rates proposal, effective April 1, 2025:

- (a) Expand the availability of Rate Schedules 1101, 1151, 2101, 1300, 1500, 1600 and 1401 to customers in the NIA and to transition the customers to the appropriate rate schedule;**
- (b) Cancel Rate Schedules 1107, 1127, 1148, 1200, 1234 and 1255; and**
- (c) Recover the resulting forecast revenue reduction arising from the above changes from all ratepayers through general rates.**

We note that interveners overall support BC Hydro's NIA rates proposal, and we address the issues and recommendations raised by interveners below.

The Panel finds that BC Hydro's NIA rates proposal will result in rates that are just and reasonable. The Panel is satisfied with BC Hydro's assessment of its NIA rates proposal against the Bonbright Criteria and BC Hydro's rate design objectives and considers that the proposal generally performs well against those criteria and objectives. In particular, the Panel is persuaded by BC Hydro's evidence that its proposal would enhance fairness because it would result in all customers in BC Hydro's service area paying the same rate regardless of individual variations in the cost of service, which would also support customer understanding and acceptance and reduce controversy. The Panel is also persuaded that the proposal would improve flexibility as it will allow NIA customers to access the same rate options as those in the integrated service area.

The Panel also finds that the proposed NIA rates have a cost of service basis. The Panel is not persuaded by BCOAPO's argument that there is an insufficient evidentiary basis upon which the BCUC can find the necessary cost of service or economic justification for BC Hydro's NIA rates proposal. We are persuaded by BC Hydro's argument that since the existing integrated service area rates have a cost of service basis, expanding their availability to NIA customers, with a corresponding adjustment to general rates to offset the revenue losses, will not change the cost of service basis for the existing rates given the relatively small number of NIA customers added to each rate class.

¹³⁵ BC Hydro Reply Argument, p. 15.

¹³⁶ Zone II RPG Final Argument, p. 5 and GFN Final Argument, PDF p. 10.

¹³⁷ GFN Final Argument, PDF p. 9.

Further, the Panel considers BC Hydro's proposal consistent with the principle of postage stamp rates, which are an accepted practice and have been approved by the BCUC in multiple past instances. For example, in 2023, the BCUC approved Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd. to implement common commodity-related charges across all of its service areas (i.e. natural gas and propane service areas), including those with distinct sources and distribution systems. In that decision, the BCUC found that postage stamp treatment of commodity rates for propane and natural gas customers would provide a fair apportionment of costs among customers, as all customers would continue to pay for a portion of the cost to procure energy, regardless of geographic location or service area and this would not result in undue discrimination in rates.¹³⁸ Also, in 2022, the BCUC approved FortisBC Energy Inc. to implement common or postage stamp delivery and cost of gas rates for its Fort Nelson service area. In that decision, the BCUC found that the proposal to move to common rates was consistent with the Bonbright principle of fair apportionment of costs among customers, even in light of Fort Nelson's geographic isolation and distinct gas supply.¹³⁹ Similarly, the Panel does not consider the NIA's geographic location and the provision of service to these communities with remote microgrids to unduly impact the fairness of common or postage stamp rates since BC Hydro provides substantially the same service to all customers in its service area.

Further, the justification for postage stamp rates which applies to the existing rates for the integrated system also justifies the extension of those rates to the NIA. We note that BC Hydro also has variability in the cost to serve customers in different locations on the integrated system and yet those customers pay the same rates regardless of where they take service. In our view, BC Hydro's proposal to expand the availability of the rates that are currently offered in the integrated service area to the NIA is consistent with the Bonbright principle of fair apportionment of costs among customers.

In addition, the Panel notes that the issue before us is not whether BC Hydro should maintain its current NIA rates, but rather whether the move to BC Hydro's proposed NIA rates will result in rates that are just and reasonable. Given the Panel's findings above that BC Hydro's NIA rates proposal will result in rates that are just and reasonable, and that the proposed NIA rates have a cost of service basis, it is not necessary to opine on BCOAPO's alternative submission that BC Hydro's current NIA rates are unduly discriminatory or prejudicial nor on MoveUP's argument that the current NIA rates violate the B.C. *Human Rights Code*.

With respect to BC Hydro's proposal to recover the forecast revenue shortfall from all ratepayers through general rates, the Panel finds this approach reasonable given that the estimated revenue impact is minimal. The Panel declines the CEC's recommendation to direct BC Hydro to adopt rate mitigation strategies to smooth the bill impacts for certain Zone IB and Zone II general service customers. The Panel is persuaded by BC Hydro's statement that transition rates could be complex and difficult for customers to understand, which may detract from achieving the Bonbright Criteria of customer understanding and acceptance. We note there is no material impact expected for the majority of NIA customers, and the administrative burden of developing and maintaining transition rates for a few customers may outweigh the benefit of mitigating bill increases of between 7 and 10 percent for these customers. Further, we note that BC Hydro has committed to providing energy management support to mitigate bill impacts for those customers who are expected to experience large bill increases, which in our view is a more practical and targeted approach.

¹³⁸ Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd. Commodity Costs Consolidation, Decision and Order G-292-23 dated October 27, 2023, pp. 1, 4, 11.

¹³⁹ FortisBC Energy Inc. Application for Common Rates and 2022 Revenue Requirements for the Fort Nelson Service Area, Decision and Order G-278-22 dated October 6, 2022, p. 19.

Moreover, with regards to Zone II RPG's request for BC Hydro to provide capacity funding and enhanced supports and incentives to mitigate bill impacts, we are satisfied with BC Hydro's statement that it will continue to engage with NIA customers to provide appropriate support during the transition.

The Panel declines Zone II RPG's and GFN's request to direct BC Hydro to undertake a review of its policies, business practices, rate schedules, etc. for any dissimilar treatments between the NIA and the integrated service area. The Panel acknowledges that BC Hydro is not proposing to expand the availability of certain integrated service area rates to the NIA at this time, but BC Hydro advises it will submit separate applications to the BCUC if it becomes feasible and practical to offer these rates to NIA customers in the future. Despite this exception, we are satisfied with BC Hydro's submission that the proposals in the Application and in BC Hydro's Distribution Extension Policy Application fully address and eliminate differentiation in the Electric Tariff between the integrated service area and the NIA.

With respect to Zone II RPG's and GFN's submissions that the transition should not be delayed beyond the effective date of the BCUC order approving the proposal, the Panel acknowledges that BC Hydro plans to provide customer support to assist NIA customers with understanding the upcoming rate change and to assist them in evaluating their rate choice. To allow time for this future engagement and for BC Hydro to implement the rate change, the Panel finds BC Hydro's proposed timing reasonable.

The Panel acknowledges GFN's position regarding BC Hydro's NIA rates proposal and reconciliation. The Panel encourages BC Hydro to continue to work with all impacted First Nations in the NIA during the implementation of these changes, as planned, and in a manner that respects the unique circumstances present in each community.

4.0 Amendments to the Electric Tariff Terms and Conditions

In Section 7, and summarized in Tables 7-7 and 7-8, of the Application, BC Hydro proposes updates to its Electric Tariff Terms and Conditions for improvements and to be more transparent and reflective of BC Hydro's current operation and business environment. In addition to miscellaneous and housekeeping amendments, BC Hydro proposes to remove the master metering option for new multi-unit residential buildings (MURBs), clarify the resale of electricity service, modify rules for back-billing of unmetered services, update standard charges, discontinue provision of transformation on private property, and clarify customers responsibilities for voltage conversion projects.¹⁴⁰ Blacklined and clean versions of the Electric Tariff Terms and Conditions reflecting BC Hydro's proposed updates are provided in Appendix B to the Application.¹⁴¹

While interveners are generally supportive of the proposed amendments, issues were raised with regards to the metering for MURBs, back-billing amendments, and BC Hydro's voltage conversion plans. The metering for MURBs and back-billing amendments are discussed in subsections 4.1 and 4.2 below.

Regarding the voltage conversion related amendments, BC Hydro proposes to include provisions in its tariff that clarify and ensure that customers who are to be served from a 25 kilovolt system are required to install

¹⁴⁰ Exhibit B-1, Section 7.1, pp. 7-1 to 7-2.

¹⁴¹ Exhibit B-1-1 as revised by Exhibit B-1-4.

equipment compatible with BC Hydro's voltage conversion plans and operational timelines.¹⁴² BCOAPO submits that a disconnection in the event of a failure to upgrade equipment must only be used as a last resort and under certain conditions. Despite BC Hydro's assurances to provide fair, reasonable compensation to the customers that will be impacted, the CEC submits that a full engagement and action plan is needed for commercial customers who could be disproportionately affected. However, BC Hydro argues that how it will carry out the voltage conversion project is out of scope for this proceeding.¹⁴³

4.1 Amendments to Multi-Unit Residential Metering

BC Hydro proposes to amend Section 4.4 of its Electric Tariff Terms and Conditions to remove the option for developers to install master metering for residential units in new MURBs and mixed-use buildings such that service for each residential unit will be metered separately by BC Hydro.¹⁴⁴ As noted in Section 2.3 of this decision, BC Hydro submits that it serves 1,154 MURBs with service provided through a single master meter and estimates there are approximately 16,300 end-use customers behind master meters that are not direct customers of BC Hydro. These residents are billed for, or otherwise pay for, their electricity through an arrangement with the account holder associated with the master meter (i.e. it is typically the building owner or strata who is the BC Hydro customer), who may engage a third-party sub-metering company to provide service.¹⁴⁵ BC Hydro submits that master metering of residential units restricts residents' ability to choose BC Hydro rates or programs as these choices may only be made by the building owner. BC Hydro submits that, as a result, these residents are not eligible for benefits such as energy conservation programs, assistance programs (e.g. Customer Crisis Fund), rebates, credits, or on-bill relief programs such as the B.C. Electricity Affordability Credit issued in 2024. Further, BC Hydro notes that its future rate options for residential customers may not be available to customers behind a master meter.¹⁴⁶

Submetering is a configuration where the building owner has a BC Hydro master meter and has installed on the customer side of that meter, privately-owned meters to measure individual unit consumption. BC Hydro notes this arrangement is appealing to developers because utility standard socket-based meters can be avoided in favour of less expensive, faster to install, non-socket-based meters that take up less space in the building.¹⁴⁷ However, once a developer opts for a master meter in a MURB, BC Hydro submits that it would likely be infeasible for stratas and residents to switch to socket-based meters due to the cost of rewiring and space limitations in the meter room to fit individual BC Hydro meters.¹⁴⁸

BC Hydro submits that almost all the approximately 60,000 MURB developments (e.g. apartments, townhouses, rowhouses, multiplexes) use its standard socket-based meters. BC Hydro identifies potential challenges with non-socket-based meters in that they lack features BC Hydro relies on to minimize operational costs, such as remote disconnections, meter alarms, method of data transmission and interface and further, there being no consensus on an American National Standards Institute (ANSI) standard to govern their use for revenue metering by utilities. BC Hydro's early assessment is that a non-socket-based metering solution is technically

¹⁴² Exhibit B-1, Section 7.8, pp. 7-53 to 7-54.

¹⁴³ The CEC Final Argument, pp. 3, 17–18; BCOAPO Final Argument, pp. 40–41; BC Hydro Reply Argument, p. 29.

¹⁴⁴ Exhibit B-1, Section 7.3, p. 7-6, Section 7.3.2, p. 7-9; Exhibit B-1-4, Appendix B, pp. 40–41.

¹⁴⁵ Exhibit B-1, Section 7.3.1, p. 7-7.

¹⁴⁶ Exhibit B-1, Section 7.3.1, pp. 7-8 to 7-9; Exhibit B-4, Wyse IR 1.11.

¹⁴⁷ Exhibit B-1, Section 7.3.1, pp. 7-6 to 7-8.

¹⁴⁸ Exhibit B-1, Section 7.3.1, p. 7-8.

possible but BC Hydro's additional costs, if fully charged to developers who elect this option, may not make the solution cost effective to developers. BC Hydro states it will continue investigating cost estimates to develop an interface and the incremental ongoing costs to support a sub-set of customers being billed from a separate metering and data acquisition system. It anticipates the next phase of this work will be complete by the end of March 2025.¹⁴⁹

Positions of Parties

Wyse submits that BC Hydro has not provided evidence of the benefits to MURB residents of the proposal nor has it consulted on the issues. Wyse notes that to suggest approved BC Hydro rates are preferred for residents than another public utility rates undermines the authority of the BCUC in reviewing and approving fair and reasonable rates for all residents. Further, Wyse submits that BC Hydro's proposal is premature of BC Hydro having assessed alternate metering solutions, is disruptive to the submetering services sector, and may only notionally increase the consistency of tariff options to prospective residential customers while removing competition and customer choice.¹⁵⁰

In reply, BC Hydro submits that to its knowledge, no sub-metered residential end-users are currently being offered optional rates similar to BC Hydro's. Further, BC Hydro notes that the small size of the immediately affected customer base does not justify allowing the issues identified to continue. With respect to consultation, BC Hydro refers to evidence from Chapter 3 of the Application of the consultation process and submits that its consultation was appropriate and robust and that its proposals have wide stakeholder support. BC Hydro points out that regulation is preventing its use of alternate metering solutions. With respect to disruption, BC Hydro submits that its proposal applies only to new MURBs and will not impact Wyse or any other submetering providers' ability to continue to operate in existing MURBs, or in existing or new mixed-use or commercial buildings, as authorized by the BCUC. BC Hydro submits that its proposal aims to meet the needs of residential end-users of electricity and supports electrification and affordability.¹⁵¹

RCIA submits that BC Hydro's proposal resolves the confusion and disputes identified in the BCUC's investigation of submetering practices between a sub-metering provider and its customers.¹⁵² BCOAPO supports BC Hydro's proposal but submits that BC Hydro should be required to file a report with the BCUC on its progress in identifying/implementing non-socket-based metering solutions for MURBs.¹⁵³ In a letter of comment, the Urban Development Institute submits that BC Hydro's proposal will be problematic for some builders with space, cost and time implications for projects because BC Hydro is using socket-type meters and that any decision should be deferred until it is known if a strata using third parties for sub-metering would have the option to become BC Hydro customers in the future.¹⁵⁴

In reply, BC Hydro submits that current regulation¹⁵⁵ requires BC Hydro to use meters with capabilities that only socket-based meters can meet. Further, BC Hydro notes that non-socket-based meters do not address the

¹⁴⁹ Exhibit B-3, BCUC IR 15.1.

¹⁵⁰ Wyse Final Argument, pp. 5–8.

¹⁵¹ BC Hydro Reply Argument, pp. 21–26.

¹⁵² RCIA Final Argument, PDF p. 16.

¹⁵³ BCOAPO Final Argument, p. 35.

¹⁵⁴ Exhibit D-39, pp. 2–3.

¹⁵⁵ *Smart Meters and Smart Grid Regulation*, BC Reg 368/2010, section 2.

underlying concern that its master metering proposal aims to address, which is that end-users must be direct customers of BC Hydro in order to access BC Hydro rates and services.¹⁵⁶ BC Hydro also notes, in response to the Urban Development Institute, that it would be amenable to an approach for in-stream projects where the change would be implemented three months after any BCUC approval.¹⁵⁷

Panel Determination

The Panel approves BC Hydro’s proposal to remove the master-metering option for multi-unit residential properties in Section 4.4 of its Electric Tariff, effective April 1, 2025. The Panel is satisfied with the stakeholder consultation undertaken and is persuaded by BC Hydro that its proposal would be beneficial to MURB residential end-users through ensuring that they have access to BC Hydro’s rate options and programs in the same way as other BC Hydro residential end-users. The Panel accepts Wyse’s assertion that a submetering company may be able to implement BC Hydro rate options or design and implement its own; however, this is not a sufficient reason to require BC Hydro to prolong a tariff provision that, when employed for MURBs, could obstruct BC Hydro indefinitely from providing available rate options and programs directly to those residential end-users.

The Panel recognizes that BC Hydro’s current socket-based meters could be problematic for some developers and notes BC Hydro’s statement that it anticipates the next phase of its work on investigating the feasibility of non-socket-based metering solutions will be completed by the end of March 2025. **Therefore, the Panel directs BC Hydro to file a report with the BCUC on its investigation and consideration of non-socket-based metering solutions by July 31, 2025.** However, the Panel is not persuaded by Urban Development Institute’s recommendation to defer the decision on BC Hydro’s proposed amendments. The feasibility of a BC Hydro non-socket-based solution in the future is uncertain and a delay is not beneficial to residential end-users that are prevented access to BC Hydro’s rate options and programs until such a solution is found.

4.2 Back-Billing of Unmetered Service

BC Hydro provides a total of 218.67 gigawatt hours of unmetered service per year for approximately 280,000 customer-owned streetlights and 467 customers with over 20,000 small general service accounts. Unmetered services are permitted when the electricity consumption can be reliably estimated over a period of time and when the installation of a metered service is not warranted or practical due to cost or operational impacts to BC Hydro or the customer.¹⁵⁸ In accordance with BC Hydro’s Electric Tariff, unmetered service customers are required to notify BC Hydro immediately of any proposed or actual changes related to load, load characteristics, or hours of use.¹⁵⁹

Effective April 1, 2025, BC Hydro proposes to amend the back-billing remedies in Section 5.7 of its Electric Tariff for situations where the customer has failed to notify BC Hydro of the addition, removal, or modification of unmetered lighting or customer equipment.¹⁶⁰ Under-billing amendments proposed by BC Hydro include removing time limitations for back-billing unmetered service to enable full recovery of BC Hydro’s costs to the time the additional consumption began and charging interest on the under-billed amounts at BC Hydro’s

¹⁵⁶ BC Hydro Reply Argument, p. 24.

¹⁵⁷ Wyse Final Argument, p. 33.

¹⁵⁸ Exhibit B-1, Section 7.5.1, pp. 7-18 to 7-19.

¹⁵⁹ Exhibit B-1-1, Appendix B, Special Condition No. 6(b) of RS 1702 and Special Condition No. 2(b) of RS 1704, pp. 125, 129.

¹⁶⁰ Exhibit B-1, Section 7.5, pp. 7-17, 7-20; Exhibit B-4, CEC IR 11.1.

weighted average cost of debt if the customer does not notify BC Hydro within 12 months of the addition or alteration. BC Hydro also proposes to remove the requirement for interest to be paid on over-billed amounts that result from the customer's failure to notify BC Hydro of the removal or alteration of equipment.¹⁶¹

BC Hydro states it has limited ability to identify under or over-billing and that the proposed amendments will give customers an incentive to provide timely and accurate notification of changes to unmetered services to improve billing accuracy.¹⁶² BC Hydro submits that errors or delays in a customer's notification of changes to unmetered service can result in billing inaccuracies for an extended period, frequently beyond the back-billing periods allowed under Section 5.7 of its Electric Tariff. For example, during BC Hydro's Street Lighting Replacement Project, four customers were identified to have been under-billed for periods ranging from two years to 20 years, resulting in estimated under-collected revenues of approximately \$0.5 million and three customers were found to have been over-billed for periods ranging from three to five years, resulting in credits totaling over \$0.2 million plus interest. BC Hydro explains that this was because the customers did not notify BC Hydro of changes in a timely manner. Further, in the case of under-billing, BC Hydro explains that by not recovering the customer's allocation of BC Hydro's fixed demand related costs, the costs of providing electricity to the streetlights or equipment were borne by other customers.¹⁶³

Positions of Parties

The CEC recommends that BC Hydro's proposed changes to back-billing of unmetered services be denied. The CEC notes that as there are many unmetered accounts for the 467 small general service customers, it may not be possible for these customers to reconcile an equipment change with the correct account without BC Hydro's assistance. Further, the CEC recommends that the BCUC direct BC Hydro to bring the unmetered service accounts up to date with revised information.¹⁶⁴

In reply, BC Hydro disagrees with the CEC and states that while it will support its customers in identifying billing discrepancies to the extent its resources and tools allow, its energy analytics tools cannot conclusively identify under-billing or over-billing. BC Hydro submits that it is reliant on information provided by its unmetered customers to provide accurate bills.¹⁶⁵

Panel Determination

The Panel approves the proposed amendments to BC Hydro's back-billing provisions in Section 5.7 of its Electric Tariff, effective April 1, 2025. We find BC Hydro's proposed updates to its back-billing provisions reasonable for situations where the customer has failed to notify BC Hydro of the addition, removal, or modification of unmetered lighting or customer equipment.

The Panel acknowledges the CEC's concern that a small general service customer may have many unmetered accounts to reconcile. However, the Panel is satisfied that BC Hydro will support its customers in identifying billing discrepancies. In the Panel's view, customers who are not compliant with the requirement of the Electric

¹⁶¹ Exhibit B-1, Section 7.5.1, pp. 7-23 to 7-24.

¹⁶² Exhibit B-1, Section 7.5, pp. 7-17, 7-21.

¹⁶³ Exhibit B-1, Section 7.5.1, pp. 7-21 to 7-22.

¹⁶⁴ The CEC Final Argument, pp. 15–17.

¹⁶⁵ BC Hydro Reply Argument, pp. 27–28.

Tariff to notify BC Hydro immediately of any proposed or actual change in load, load characteristics, or hours of use, should not be absolved from paying their rate nor be subsidized by other customers.

4.3 Overall Panel Determination on the Electric Tariff Amendments

In addition to the approvals provided elsewhere in this decision with respect to BC Hydro's proposed Electric Tariff amendments, the Panel approves the remaining proposed amendments to BC Hydro's Electric Tariff, as shown in Appendix B to the Application and as revised by the errata filed in the proceeding (excluding updates related to the net metering proposals), effective April 1, 2025. We find BC Hydro's proposed updates to its Electric Tariff are reasonable and improve clarity of its Terms and Conditions.

With respect to the issues raised by interveners regarding BC Hydro's voltage conversion plans, as noted in Section 4.0 of this decision, the Panel agrees with BC Hydro that how BC Hydro will carry out the voltage conversion project is out of scope for this proceeding, and accordingly makes no further directions to BC Hydro on this matter.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of February 2025.

Electronically signed by Mark Jaccard

M. Jaccard
Panel Chair/Commissioner

Electronically signed by Tom Loski

T. A. Loski
Commissioner

Electronically signed by Wendy Royle

W. E. Royle
Commissioner

British Columbia Hydro and Power Authority
2024 Rate Design

LIST OF TERMS AND ACRONYMS

Term/Acronym	Description
ANSI	American National Standards Institute
Application	The 2024 Rate Design Application filed by British Columbia Hydro and Power Authority on June 27, 2024
Basic Charge	A daily charge that is one of the three components of the residential inclining block rate structure
BC Hydro	British Columbia Hydro and Power Authority
BCOAPO	British Columbia Old Age Pensioners' Organization et al.
BCSEA	BC Sustainable Energy Association
BCUC	British Columbia Utilities Commission
Bonbright Criteria	The rate design criteria identified by Dr. James Bonbright in <i>Principles of Public Utility Rates</i> .
DARR	Deferral Account Rate Rider
GFN	Gitga'at First Nation
IRs	Information Requests
kW	Kilowatt
kWh	Kilowatt-hour
LGS	Large General Service
MGS	Medium General Service
MoveUP	Movement of United Professionals
MURBs	Multi-unit residential buildings
NIA	Non-integrated area

RCIA	Residential Consumer Intervener Association
RRA	Revenue requirements application
RIB Rate	Residential inclining block rate
RS	Rate Schedule
Step 1 Energy Charge	The rate for electricity use up to a certain threshold in each billing period under the residential inclining block rate structure
Step 2 Energy Charge	The higher rate for all electricity used beyond a certain threshold under the residential inclining block rate structure
The CEC	Commercial Energy Consumers Association of BC
The LGIs	The Local Government Intervenors (The City of Vancouver, Metro Vancouver Regional District, District of North Vancouver, and the City of Richmond)
TIRR	Trade Income Rate Rider
UCA	<i>Utilities Commission Act</i>
Wyse	Wyse Meter Solutions Inc.
Zone II RPG	Kwadacha Nation and Tsay Keh Dene Nation, together the Zone II Ratepayers Group

British Columbia Hydro and Power Authority
2024 Rate Design

EXHIBIT LIST

Exhibit No.	Description
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COMMISSION DOCUMENTS

A-1	July 8, 2024 – Panel Appointment
A-2	July 16, 2024 – BCUC Order G-190-24 establishing a regulatory timetable
A-3	August 29, 2024 – BCUC response to intervener registrations and provision of participation scope
A-4	September 5, 2024 – BCUC Information Request No. 1 to BC Hydro
A-5	September 11, 2024 – BCUC response to Ecotrust Canada application for reconsideration of denial of intervener status
A-6	September 11, 2024 – BCUC response to Charge Solar, Riverside, High Tide and Shift extension request to file Information Request No 1 to BC Hydro
A-7	November 28, 2024 – BCUC response to BCOAPO extension request to file final arguments excluding net metering proposals
A-8	December 11, 2024 – BCUC Order G-331-24 amending the regulatory timetable
A-9	February 7, 2025 – BCUC response to BC Hydro request for new process regarding Net Metering
A-10	February 19, 2025 – BCUC Order G-33-25 approving a separate process to review the net metering service rate proposals

APPLICANT DOCUMENTS

B-1	June 27, 2024 – BRITISH COLUMBIA HYDRO AND POWER AUTHORITY (BC HYDRO) - 2024 Rate Design Application
B-1-1	June 27, 2024 – BC Hydro 2024 Rate Design Application Appendices
B-1-2	July 11, 2024 – BC Hydro submitting revised Appendix B to the Application
B-1-3	October 22, 2024 – BC Hydro Errata No. 1 to Exhibit B-1 Appendix B to the Application

B-1-4	October 22, 2024 – BC Hydro Errata No. 1 to Exhibit B-1-1 to the Application
B-1-5	October 22, 2024 – BC Hydro Errata No. 1 to Exhibit B-1-2 to the Application
B-2	July 25, 2024 – BC Hydro submitting Public Notice confirmation in compliance with Order G-190-24
B-3	PUBLIC - October 22, 2024 – BC Hydro responses to BCUC Information Request No. 1
B-3-1	CONFIDENTIAL - October 22, 2024 – BC Hydro confidential responses to BCUC Information Request No. 1
B-4	PUBLIC - October 22, 2024 – BC Hydro responses to Intervener Information Requests No. 1
B-4-1	CONFIDENTIAL - October 22, 2024 – BC Hydro confidential responses to Intervener Information Requests No. 1
B-5	December 6, 2024 – BC Hydro extension request to file Evidentiary Update on Net Metering
B-6	December 10, 2024 – BC Hydro response to BCSEA response on BC Hydro extension request
B-7	January 4, 2025 – BC Hydro request new process regarding New Metering

INTERVENER DOCUMENTS

C1-1	July 31, 2024 - ECOSMART FOUNDATION INC. (ECOSMART) - Request to intervene by Michel de Spot
C1-2	September 10, 2024 – EcoSmart support extension request to file Information Request No. 1
C1-3	September 12, 2024 – EcoSmart Information Request No. 1 to BC Hydro
C1-4	November 4, 2024 – EcoSmart Confidentiality Declaration and Undertaking Form
C2-1	July 22, 2024 - MOVEMENT OF UNITED PROFESSIONALS (MOVEUP) - Request to intervene by Jim Quail
C2-2	September 12, 2024 – MoveUP Information Request No. 1 to BC Hydro
C2-3	December 20, 2024 – MoveUP letter of comment regarding application of BC Human Rights Code to BC Hydro

C3-1	July 23, 2024 – FORTISBC ENERGY INC. AND FORTISBC INC. (FORTISBC) - Request to intervene by Sarah Walsh
C4-1	July 24, 2024 – WYSE METER SOLUTIONS INC. (WYSE) - Request to intervene by Paul Elliott
C4-2	September 12, 2024 – Wyse Information Request No. 1 to BC Hydro
C5-1	July 25, 2024 – BC SUSTAINABLE ENERGY ASSOCIATION (BCSEA) - Request to intervene by Thomas Hackney
C5-2	September 11, 2024 – BCSEA Information Request No. 1 to BC Hydro
C5-3	December 9, 2024 – BCSEA response to BC Hydro Extension Request regarding Net Metering
C5-4	February 5, 2025 – BCSEA comments to BCH request for new process regarding New Metering
C5-5	February 11, 2025 – BCSEA comments on anticipated Net Metering proceeding
C6-1	August 8, 2024 - BRITISH COLUMBIA OLD AGE PENSIONERS' ORGANIZATION ET AL. (BCOAPO) - Request to intervene by Leigha Worth
C6-2	September 12, 2024 – BCOAPO Information Request No. 1 to BC Hydro
C6-3	November 28, 2024 – BCOAPO extension request to file Final Argument
C7-1	August 12, 2024 – LULU ISLAND ENERGY COMPANY LTD. (LIEC) - Request to intervene by Brendan Burns
C8-1	August 21, 2024 – SAULTEAU FIRST NATIONS (SAULTEAU FIRST NATIONS) - Request to intervene by James Hickling
C9-1	August 22, 2024 – COMMERCIAL ENERGY CONSUMERS ASSOCIATION OF BC (CEC) - Request to intervene by David Craig
C9-2	September 12, 2024 – CEC Information Request No. 1 to BC Hydro
C10-1	August 22, 2024 – COMMUNITY SOLAR COALITION (CSC) - Request to intervene by Kjell Liem
C10-2	September 12, 2024 – CSC Information Request No. 1 to BC Hydro
C10-3	February 4, 2025 – CSC comments to BCH request for new process regarding New Metering

C10-4	February 9, 2025 – CSC New Net Metering proposal and letter of clarification
C11-1	August 23, 2024 – RESIDENTIAL CONSUMER INTERVENER ASSOCIATION (RCIA) - Request to intervene by Abdulrahman Abomazid
C11-2	September 12, 2024 – RCIA Information Request No. 1 to BC Hydro
C11-3	November 4, 2024 – RCIA Confidentiality Declaration and Undertaking Forms
C11-4	February 12, 2025 – RCIA comments to BCUC on anticipated Net Metering proceeding
C12-1	August 22, 2024 – CHARGE SOLAR (CHARGE SOLAR), RIVERSIDE ENERGY SYSTEMS (RIVERSIDE), HIGH TIDE ENERGY INC. (HIGH TIDE) AND SHIFT ENERGY GROUP INC. (SHIFT) - Requests to intervene
C12-2	September 9, 2024 – Charge Solar, Riverside, High Tide and Shift request for extension to file Information Request No. 1
C12-3	September 12, 2024 – Charge Solar, Riverside, High Tied and Shift Information Request No. 1 to BC Hydro
C12-4	November 7, 2024 – Charge Solar Confidentiality Declaration and Undertaking Form
C12-5	February 7, 2025 – Charge Solar et al comments to BCH request for new process regarding New Metering
C12-6	February 12, 2025 – Charge Solar et al comments to BCUC on anticipated Net Metering proceeding
C13-1	August 20, 2024 – CITY OF VANCOUVER (CoV), METRO VANCOUVER REGIONAL DISTRICT (METRO VANCOUVER), DISTRICT OF NORTH VANCOUVER (DISTRICT OF NV) AND CITY OF RICHMOND (CoR) - Requests to intervene
C13-2	September 12, 2024 – District of NV, CoR and CoV Information Request No. 1 to BC Hydro
C14-1	August 22, 2024 – KWADACHA NATION AND TSAY KEH DENE NATION (TOGETHER THE ZONE II RATEPAYERS GROUP (ZONE II-RPG)) AND GITGA'AT FIRST NATION (GITGA'AT FIRST NATION) - Requests to intervene
C14-2	September 12, 2024 – Zone II RPG and Gitga'at First Nation Information Request No. 1 to BC Hydro
C14-3	February 12, 2025 – Zone II RPG comments to BCH request for new process regarding New Metering

LETTERS OF COMMENT

D-1	July 13, 2024 – HULL, A. (HULL) – Letter of Comment
D-2	July 22, 2024 – EYBEN, K. (EYBEN) – Letter of Comment
D-3	July 22, 2024 – PENN, B. (PENN) – Letter of Comment
D-4	July 22, 2024 – GRAHAM, S. (GRAHAM) – Letter of Comment
D-5	July 22, 2024 – SNADDEN, D. (SNADDEN) – Letter of Comment
D-6	July 22, 2024 – SCOTT, W. (SCOTT) – Letter of Comment
D-7	July 22, 2024 – BROSSARD, T. (BROSSARD) – Letter of Comment
D-8	July 22, 2024 – MARTENS, B. (MARTENS) – Letter of Comment
D-9	July 22, 2024 – PATRICK, A. (PATRICK) – Letter of Comment
D-10	July 23, 2024 – MERTZ, B. (MERTZ) – Letter of Comment
D-11	July 23, 2024 – DIETZFELBINGER, C. (DIETZFELBINGER) – Letter of Comment
D-12	July 24, 2024 – GODFREY, J. (GODFREY) – Letter of Comment
D-13	July 25, 2024 – JACEK, G. (JACEK) – Letter of Comment
D-14	July 25, 2024 – STIEBEL, R. (STIEBEL) – Letter of Comment
D-15	July 25, 2024 – BONE, G. (BONE) – Letter of Comment
D-16	July 26, 2024 – KOZLOWSKI, B. (KOZLOWSKI) – Letter of Comment
D-17	July 26, 2024 – WANG, X. (WANG) – Letter of Comment
D-18	July 26, 2024 – ILLINGWORTH, P. (ILLINGWORTH) – Letter of Comment
D-19	July 29, 2024 – KORMILO, S. (KORMILO) – Letter of Comment
D-20	July 31, 2024 – GOODE, J. (GOODE) – Letter of Comment
D-21	July 31, 2024 – WALLACE, D. (WALLACE) – Letter of Comment
D-22	July 31, 2024 – RHEBERGEN, F. (RHEBERGEN) – Letter of Comment
D-23	August 1, 2024 – MCDougall, E. (MCDougall) – Letter of Comment

D-24	August 7, 2024 - JOBS, K. (JOBS) – Letter of Comment
D-25	August 9, 2024 - DEVOOGHT, P. (DEVOOGHT) – Letter of Comment
D-26	August 9, 2024 – MILLER, M. (MILLER) – Letter of Comment
D-27	August 13, 2024 – AINSLIE, G. (AINSLIE) – Letter of Comment
D-28	August 14, 2024 – BASNETT, J. (BASNETT) – Letter of Comment
D-29	August 16, 2024 – QUEEN, J. (QUEEN) – Letter of Comment
D-30	August 19, 2024 – LIST, A. (LIST) – Letter of Comment
D-31	August 19, 2024 – FLETCHER, G. (FLETCHER) – Letter of Comment
D-32	August 20, 2024 – MEDVES, G. (MEDVES) – Letter of Comment
D-33	August 19, 2024 – STOUT, T. (STOUT) – Letter of Comment
D-34	August 26, 2024 – DAWES, L. (DAWES) – Letter of Comment
D-35	August 29, 2024 – COOKSLEY, W. (COOKSLEY) – Letter of Comment
D-36	September 3, 2024 – JOHNSON, B. (JOHNSON) – Letter of Comment
D-37	September 3, 2024 - FLINT, A. (FLINT) – Letter of Comment
D-38	September 4, 2024 – KOBBS, A. (KOBBS) – Letter of Comment
D-39	September 12, 2024 - URBAN DEVELOPMENT INSTITUTE (UDI) – Letter of Comment
D-40	September 14, 2024 – SHELL, B. (SHELL) – Letter of Comment
D-41	September 16, 2024 – CLINE, D. (CLINE) – Letter of Comment
D-42	September 24, 2024 – JORDAN, J. (JORDAN) – Letter of Comment
D-43	September 27, 2024 – PARKEN, C. (PARKEN) – Letter of Comment
D-44	October 10, 2024 – EWING, L. (EWING) – Letter of Comment
D-45	October 14, 2024 – ZIMMERMANN, O. (ZIMMERMANN) – Letter of Comment
D-46	October 22, 2024 – HAYASHI, B. (HAYASHI) – Letter of Comment
D-47	October 29, 2024 – SCHELL, P. (SCHELL) - Letter of Comment

D-48	October 29, 2024 – EMERY, S. (EMERY) - Letter of Comment
D-49	November 1, 2024 – BAXTER, R. (BAXTER) - Letter of Comment
D-50	November 5, 2024 – RENNIE, D. (RENNIE) - Letter of Comment
D-51	November 5, 2024 – SCHELL, T. (SCHELL) - Letter of Comment
D-52	November 5, 2024 – TURLEY, W. (TURLEY) - Letter of Comment
D-53	November 5, 2024 – CITY OF VICTORIA (VICTORIA) - Letter of Comment
D-54	November 25, 2024 – FUNK, M. (FUNK) - Letter of Comment