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October 1, 2012

Ms. Erica Hamilton
Commission Secretary
British Columbia Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Hamilton:

**RE: British Columbia Utilities Commission (BCUC)
British Columbia Hydro and Power Authority (BC Hydro)
Power Smart Home Loan Pilot Program**

BC Hydro is writing to the BCUC to submit, for incorporation into its rates, the form of agreement under which BC Hydro will provide financing to eligible persons for improving the energy efficiency of a building, or part of a building in the City of Colwood, under a home improvement financing pilot program pursuant to section 17.1 of the *Clean Energy Act (CEA)*. This submission also includes amendments to BC Hydro's Electric Tariff related to the improvement financing pilot program.

BC Hydro is required to establish a program (**Pilot Program**) to offer improvement financing on a two-year pilot basis beginning November 1, 2012, pursuant to section 17.1(2) of the CEA and the Improvement Financing Regulation. Pursuant to section 2(a)(i) of the regulations, BC Hydro's Pilot Program is available only to certain eligible customers in the City of Colwood, British Columbia.

BC Hydro notes that FortisBC is subject to the same requirement to establish and maintain an improvement financing program pilot. BC Hydro and FortisBC have met to discuss their respective programs and are aware of pilot differences. BC Hydro expects that these differences are advantageous as the feedback and experience from the pilots may be considered by government in determining whether and how the utilities should undertake future energy efficiency improvement financing programs.

1.0 Purpose of the Application

The purpose of this filing is to secure the benefit of section 17.1(10) of the CEA, which provides as follows:

- (10) A prescribed public utility has the same remedies in the event of a borrower's failure to pay an amount under a financing agreement that has been incorporated into its rates as it has for a borrower's failure to pay any other rates the borrower is obligated to pay as a customer of the public utility.

The benefit of CEA, section 17.1(10) – providing BC Hydro with the same remedies in the event of a borrower’s failure to pay an amount under a financing agreement as it has for a borrower’s failure to pay any other rates the borrower is obligated to pay as an electricity service customer of BC Hydro – arises once the financing agreement has been “incorporated into” BC Hydro’s rates by the BCUC. With respect to incorporation of the financing agreement into rates, section 17.1(9) of the CEA provides as follows:

- (9) In setting rates under the *Utilities Commission Act* for a prescribed public utility that has entered into a financing agreement, the commission must incorporate the financing agreement into those rates.

Thus, this filing is made pursuant to CEA, section 17.1(9) and sections 58 to 61 of the *Utilities Commission Act (UCA)*, and seeks incorporation of the enclosed financing agreement into BC Hydro’s rates. BC Hydro believes that compliance with section 17.1(9) can be achieved by the BCUC approving BC Hydro’s form of financing agreement as a tariff supplement. For greater transparency and certainty to customers, BC Hydro proposes certain amendments to its Electric Tariff related to the Pilot Program and the remedies afforded by section 17.1(10) of the CEA.

The remainder of this submission provides an overview of the financing agreement, including its key terms and information on how those terms align with the requirements of the CEA and Improvement Financing Regulation. The submission also includes a discussion of the proposed tariff amendments, BC Hydro’s expected Pilot Program costs, and a proposed process for the BCUC to review the submission.

This submission includes:

Appendix A	Electric Tariff Supplement No. 84: Financing Agreement Terms and Conditions
Appendix B	Revised Electric Tariff Pages
Appendix C	CEA, Section 17.1
Appendix D	Improvement Financing Regulation
Appendix E	Draft Order

2.0 Pilot Program Overview

Beginning November 1, 2012 BC Hydro will be offering improvement financing for eligible customers in Colwood, B.C. as part of a two-year pilot with an aggregate total balance of up to \$500,000. Eligible customers wishing to participate in the pilot will be required to have a home energy assessment and submit a loan application to BC Hydro. The loan application will include the terms and conditions enclosed as Appendix A to this application, and specify that the terms and conditions will be binding on the customer upon BC Hydro approving the customer’s loan application. The loan application will also state that the financing agreement becomes effective if and as of the date BC Hydro issues a loan approval letter to the customer.

Upon approval of a loan application, the customer will be able to proceed with improvements to the home. Once the work has been completed, the customer may submit invoices along with a Project Completion Declaration for the purposes of having the loan advanced. An instalment plan letter will detail the monthly payment schedule based on the final loan amount. Customers will be required to participate in BC Hydro's Pre-authorized Payment Plan so that monthly loan instalment payments will be automatically deducted from their bank account.

In the event of overdue loan amounts, the amounts will be applied to the customer's electric service bill and be subject to the collection action that is normally undertaken for failure to pay for electric service.

If the home is sold prior to repayment of the loan the customer may either assign the loan to the new owner, who must also be an eligible customer, or pay the loan in full. There is no penalty or fee for early repayment of the loan.

The Province is expected to establish a Loan Loss Reserve Fund (**LLRF**) which can be accessed by the utilities for loan defaults. The terms and conditions for accessing the LLRF are still being finalized at this time.

3.0 Financing Agreement

This section of the submission provides an overview of BC Hydro's form of financing agreement terms and conditions for the Pilot Program, including key terms and information on how they align with the requirements of the CEA and Improvement Financing Regulation (the **Regulations**). References are provided to where in the Agreement Terms and Conditions the term is found. Where a term of the financing agreement is not specified by the CEA or the Regulations, the rationale for the term is noted.

3.1 Eligible Borrowers

A person (**Homeowner**) must meet the following criteria to be eligible for financing under the Pilot Program:

- the Homeowner must be a residential customer of BC Hydro (Terms and Conditions, clause 1).
 - specified by CEA, section 17.1(1) definition of "eligible person", which requires that the person receive service from BC Hydro; and the Regulations, section 1 definition of "specified building", which prescribes residential buildings.
- the Homeowner must own the residential building to be improved (Terms and Conditions, clause 1).
 - specified by the Regulations, section 2(a).

- the Homeowner must occupy the residential building to be improved (Terms and Conditions, clause 1).
 - not specified by CEA or the Regulations; included to mitigate the risk of breaches to the British Columbia *Freedom of Information and Protection of Privacy Act* and to reduce administrative costs.
- the Homeowner must have a credit rating of at least 650 on the Equifax Beacon rating system (Terms and Conditions, clause 1).
 - specified by the Regulations, section 2(d).
- the Homeowner must agree to make loan and electricity bill payments by automatic withdrawal under BC Hydro's Pre-authorized Payment Plan (Terms and Conditions, clause 1).
 - not specified by CEA or the Regulations; included to mitigate the risk of default or missed payment and reduce administrative costs.
- every bill issued to the Homeowner by BC Hydro in the preceding 12 months must have been paid on or before the due date (Terms and Conditions, clause 1).
 - specified by the Regulations, section 2(c).

3.2 *Eligible Buildings*

The residential building to be improved must meet the following criteria for the Homeowner to be eligible for financing under the Pilot Program:

- it must be located in the City of Colwood, British Columbia (Terms and Conditions, clause 1).
 - specified by the Regulations, section 2(a)(i).
- it must be heated with electricity (Terms and Conditions, clause 1).
 - specified by the Regulations, section 2(b).
- it must be of three stories or fewer occupying no more than 600 m² of ground surface; be habitable all year and be a detached home, a building that is part of a complex of side-by-side attached buildings, or a mobile home on a permanent foundation (Terms and Conditions, clause 1).
 - specified by the Regulations, section 1 definition of "specified building".

3.3 *Eligible Improvements*

The following building improvements are eligible for financing under the Pilot Program:

- insulation measures, weatherization (e.g. air sealing) measures, and air source heat pump/solar water heating measures are eligible improvements (Terms and Conditions, clause 2).
 - specified by CEA, section 17(1)(4)(d)(i)(B), and the Regulations, section 5.
 - CEA, section 17.1 does not require BC Hydro to offer financing for every prescribed improvement measure and BC Hydro is currently not offering financing for window and door replacement measures.
- the improvement must be recommended in an energy report by a qualified energy advisor (Terms and Conditions, clause 2).
 - specified by CEA, section 17.1(4)(d)(i)(A); and the Regulations, sections 7 and 8.
- the work must be carried out by a qualified person (Terms and Conditions, clause 2).
 - specified by CEA, section 17.1(4)(d)(ii); and the Regulations, section 9.

3.4 *Loan Amount and Interest*

The Agreement includes the following provisions related to loan amount, repayment term and interest rate:

- loan amounts are limited to a minimum principal amount of \$2,000 and a maximum principal amount of \$10,000 per property (Terms and Conditions, clause 4).
 - not specified by CEA or the Regulations; included for the purposes of a pilot.
- the Homeowner may choose a five-year term at 4.00 per cent interest per annum, a 7.5-year term at 4.25 per cent interest per annum, or a ten-year term at 4.50 per cent interest per annum (to be selected in the loan application, Terms and Conditions, clause 6).
 - specified by the Regulations, section 4(1), which provides that interest must be payable at a fixed rate that does not exceed 4.5 annual percentage rate, and that the agreement term and amortization period must be not less than five years.
- interest commences to accrue on each loan advance on the date of the loan advance (Terms and Conditions, clause 7).
 - not specified by CEA or the Regulations; included as a typical loan term.
- the total cost of borrowing is disclosed to the Homeowner in two ways: (i) a rate table will disclose the approximate monthly payment schedule for various principal amounts over the three term and interest rate options, and (ii) BC Hydro's loan approval letter to the Homeowner will disclose the actual monthly payment schedule based on the final loan amount (to be provided in the loan application, Terms and Conditions, clause 6).

- not specified by CEA or the Regulations; disclosure of total cost of borrowing is typical lending industry practice.

3.5 *Loan Payments*

The Agreement includes the following provisions related to loan payments:

- loan instalment amounts (based on the principal amount, amortization period and interest rate selected by the Homeowner) will be automatically withdrawn by BC Hydro from the Homeowner's account via the Pre-authorized Payment Plan on the first of each month until paid in full (Terms and Conditions, clause 6).
 - not specified by CEA or the Regulations; included as a typical loan term.
- the Homeowner may pay all or part of the outstanding balance at any time without fee or penalty, with such optional payments reducing the term of the loan and interest but not the loan instalment amounts (Terms and Conditions, clause 8).
 - not specified by CEA or the Regulations; BC Hydro expects that interest on a loan will approximately cover BC Hydro's cost of borrowing to provide the loan, without a significant margin. The recovery of BC Hydro's loan program costs will not be materially impacted by allowing early repayment and the risk of loan default will be reduced.
- subject to the right to assign, below, the entirety of the loan amount will become due and payable if the Homeowner sells or otherwise disposes of the property, discontinues as a BC Hydro electricity customer or fails to make any payment under the financing agreement when due (Terms and Conditions, clause 11).
 - not specified by CEA or the Regulations; included as a typical loan term.

3.6 *Assignment*

The Agreement includes the following provision allowing the Homeowner to assign the Agreement:

- the Homeowner may transfer and assign the Agreement upon sale of the property to the new owner provided BC Hydro receives the prescribed notice and the new owner meets all eligibility requirements under the Agreement (Terms and Conditions, clause 10).
 - specified by CEA, section 17.1(4)(a) and (b)(ii); and the Regulations, section 10.

3.7 *Arrears and Default*

The Agreement includes the following provision related to payment arrears and Homeowner default:

- payments received from the Homeowner will be applied first against the oldest outstanding item, whether principal and interest under the Agreement or charges for electricity supplied to the Homeowner (Terms and Conditions, clause 9).
 - not specified by CEA or the Regulations; included as a typical loan term.
- failure to pay any amount required to be paid under the Agreement will attract interest on such amount at the rate of 19.6 per cent per annum or 1.5 per cent per month until paid (Terms and Conditions, clause 9).
 - specified by CEA, section 17.1(10); the Regulations, section 4(2); and the Electric Tariff, sections 6.2 and 11.3.
- should the Homeowner fail to pay overdue loan payments, BC Hydro may deny or discontinue electricity service at the property upon prior written notice; the Homeowner may avoid disconnection by settling the amount in arrears or entering into loan repayment negotiations with BC Hydro (Terms and Conditions, clause 9).
 - specified by CEA, section 17.1(10); and the Electric Tariff, section 2.3.

3.8 *Representations, Warranties and General*

Clauses 12 to 19 of the Agreement contain representations, warranties and general provisions that are not specified in the CEA or Regulations and are included as typical loan terms.

4.0 **Tariff Amendments**

BC Hydro proposes amendments to its Electric Tariff to provide greater transparency and certainty to customers regarding: (i) availability of the improvement financing pilot program, and (ii) potential consequence of failing to pay an amount under a financing agreement as provided by section 17.1(10) of the CEA.

To make the availability of improvement financing more transparent, BC Hydro proposes to add a new tariff section 9.11, as follows:

9.11 Energy Efficiency Improvement Financing Pilot Program (City of Colwood)

Pursuant to section 17.1 of the *Clean Energy Act* and the *Improvement Financing Regulation*, for a two-year period beginning November 1, 2012 BC Hydro is offering financing to eligible persons for improving the energy efficiency of a building, or a part of a building, located in the City of Colwood. The terms and conditions under which financing is offered are contained in Electric Tariff Supplement No. 84.

Pursuant to CEA, section 17.1(10) incorporation of the financing agreement into BC Hydro rates means that it will have the same remedies in the event of a borrower's

failure to pay an amount under a financing agreement as it has for a borrower's failure to pay any other rates the borrower is obligated to pay as an electricity service customer. A key remedy available to BC Hydro under the Electric Tariff in the event a customer fails to pay its electricity bills is the right to refuse to provide service and to discontinue service (section 2.3 of the Electric Tariff). To make this potential consequence of failing to pay an amount under a financing agreement more transparent, BC Hydro proposes to add a new subsection to Electric Tariff section 2.3, as follows:

6. failed to pay an amount under a Financing Agreement.

Additional consequential amendments are also proposed for the collection charge, service reconnection charge, and charge for failed payment due to not sufficient funds provisions of the Electric Tariff. Amended Electric Tariff Pages including all of the proposed changes are provided in Appendix B.

5.0 Improvement Financing Pilot Program Costs

The interest charged on the loan amounts under financing agreements is expected to approximately recover BC Hydro's cost of borrowing the money to fund the loans. Accordingly, BC Hydro does not expect the interest charged on the loans to provide any material contribution to BC Hydro's costs of setting up and administering the improvement financing pilot program.

The costs incurred during F2013 to set up and administer the improvement financing pilot program (**program costs**) are being recorded as expenditures on demand-side measures (**DSM**) within the residential sector enabling activities with a budget of \$0.3 million approved under BCUC Order No. G-77-12A. Program costs BC Hydro anticipates making during F2014 and F2015 will be included with a future DSM expenditure schedule submission to the BCUC under section 44.2 of the UCA.

BC Hydro has decided not to charge any administration fees to applicants for the home improvement loans under this Pilot Program to minimize barriers to participation in the pilot.

6.0 Requested Process

BC Hydro submits that an expedited process for the BCUC's review of this filing is required and appropriate for the following reasons.

The Pilot Program to offer financing to customers for improving the energy efficiency of residential buildings in the City of Colwood, British Columbia is required by section 17.1(2) of the CEA. Section 6 of the Regulations prescribe that BC Hydro must offer such financing beginning November 1, 2012 and for a two-year period thereafter.

The evidence included with this filing in the sections above demonstrates that the Pilot Program and BC Hydro's form of financing agreement comply with the requirements of the CEA and the Regulations. Typical loan terms and terms to mitigate default risks

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have been used for the few terms of BC Hydro's financing agreement that are not specified by the CEA and the Regulations.

Finally, section 17.1(9) of the CEA provides that the BCUC must incorporate the financing agreement into BC Hydro's rates.

Given the comments above, BC Hydro respectfully requests a limited review process on an expedited basis so the BCUC is able to issue its decision by October 26, 2012 such that the financing agreement is incorporated into BC Hydro's rates by the November 1, 2012 Pilot Program implementation date.

BC Hydro respectfully submits that an information request (**IR**) process may not be required for the review of this submission and proposes the following timetable to allow interested parties to file comments, if any:

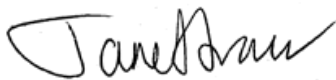
Application Filing Date	October 1, 2012
Interested party comments (if any)	October 12, 2012
BC Hydro reply to comments (if any)	October 19, 2012
BCUC Decision	October 26, 2012

If the BCUC considers that IRs on the submission are required, the BCUC could establish a timetable with IRs to be submitted by October 9, 2012. BC Hydro would submit responses to the IRs on October 15, 2012. BC Hydro and interested parties would file submissions by October 22, 2012 to allow the BCUC to issue its decision by October 26, 2012.

To facilitate an expedited process, BC Hydro has provided a copy of this application to those interveners who participated in its F2012 to F2014 Revenue Requirements Application (F12-F14 RRA).

For further information, please contact Shaheen Rehmat at 604-623-4258 or by e-mail at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Janet Fraser
Chief Regulatory Officer

jc/ma

Enclosures (5)

Copy to: BCUC Project No. 3698622 (F12-F14 RRA) Registered Intervener Distribution List.

Power Smart Home Loan Pilot Program



Appendix

A

Electric Tariff Supplement No. 84

POWER SMART HOME LOAN PILOT PROGRAM AGREEMENT
TERMS AND CONDITIONS

The Power Smart Home Loan Program is a pilot program available from November 1, 2012 to October 31, 2014 to eligible BC Hydro residential customers living in the City of Colwood (the "Homeowner"). Through the Program, BC Hydro offers low-interest loans, from \$2000 to \$10,000, to eligible customers to make listed energy efficient upgrades (the "Work") to their homes (the "Property").

1.0 Homeowner Eligibility

Power Smart Home Loans are available under this pilot program only to BC Hydro residential customers who reside in the City of Colwood, British Columbia and:

- a. make both their BC Hydro loan payments and utility payments by automatic withdrawal under BC Hydro's Pre-authorized Payment Plan,
- b. have paid on time all BC Hydro utility bills issued to them in the 12 months prior to this Agreement,
- c. have a credit rating of at least 650 on the Equifax Beacon rating system, and
- d. are performing the Work to a residential building, or part of a residential building, that they own and occupy and that is:
 - three stories or less,
 - heated with electricity,
 - 600 square meters of ground surface or less,
 - habitable year round, and
 - a detached home, part of a complex of side-by-side attached buildings, or a mobile home on a permanent foundation.

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2.0 Work Eligibility

Work must be a qualified retrofit under the Ministry of Energy and Mines LiveSmart BC program and be recommended in a home energy report for the Property that (a) is completed and signed by a qualified energy advisor no more than 18 months before the date of this Agreement, and (b) meets all other requirements of the Improvement Financing Regulation 236/2012, as promulgated under the *Clean Energy Act* [SBC 2010] c. 22 (the "Improvement Financing Regulation"). A qualified energy advisor is certified as an energy advisor by Natural Resources Canada and employed by or under contract with a service organization licenced by Natural Resources Canada to perform EnerGuide Rating System evaluations. To find qualified energy advisors in your area, go to: <http://www.livesmartbc.ca/incentives/efficiency-home/>. The Work must be carried out by the Homeowner or an otherwise "qualified person" as defined in the Improvement Financing Regulation.

3.0 Completion of Work

Work must be completed and the Homeowner must submit to BC Hydro a completed and signed Project Completion Declaration form (found at bchydro.com/homeloan) and all invoices for the Work within six (6) months of the date of the Loan Approval Letter. Work may be completed in up to three (3) separate stages within the six (6) month period, in which event separate Project Completion Declaration forms must be submitted for each stage together with the applicable invoices to receive partial loan advances from BC Hydro in accordance with clause 4. If all Project Completion Declaration forms and invoices are not received by BC Hydro within six (6) months of the date of the Loan Approval Letter, BC Hydro may terminate this Agreement upon delivery of written notice to the Homeowner. In the event of such termination, BC Hydro shall have no further obligation to advance the Power Smart Home Loan to the Homeowner and, if partial loan advances have been made, may demand full payment of the partial advances within 30 days of termination or start the loan repayment schedule for the partial advances.

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4.0 Loan Advanced

Available loan amounts under this pilot program are limited to a minimum principal amount of \$2,000 and a maximum principal amount of \$10,000 per Property. BC Hydro shall advance the Power Smart Home Loan, in full or in part should the Work be completed in stages, upon receipt of a signed Project Completion Declaration form and applicable invoices in accordance with clause 3. BC Hydro may make up to two partial loan advances prior to advancing the remainder of the loan amount. Each partial loan advance shall be for a minimum of \$1000. Loan advances shall be made to the Homeowner or the Contractor as directed by the Homeowner on the Project Completion Declaration form.

5.0 Inspection

BC Hydro has the right to inspect the Property at a reasonable time up to 24 months after Work completion to verify that the Work has been completed in accordance with this Agreement. The Homeowner hereby agrees to provide BC Hydro with reasonable access to the Property for such inspection purposes. All remaining unpaid loan instalments will immediately become due and payable on written demand if the inspection is refused.

6.0 Loan Payments

Subject to BC Hydro's rights upon termination set out in clause 3 or otherwise:

- a. where the Total Loan Amount is issued in one advance, beginning the first complete month after the Total Loan Amount is advanced to the Homeowner, and each subsequent month thereafter, the loan instalment amounts payable by the Homeowner to BC Hydro will be automatically withdrawn by BC Hydro from the Homeowner's account via the Pre-authorized Payment Plan on the first of each month until the principal amount of the Power Smart Home Loan and all interest charges are paid in full. The amount of each monthly loan payment will be set out in the Loan Approval Letter and will be based on the term and interest rate selected by the Homeowner.
- b. where the Total Loan Amount is issued in stages via partial advances, interest shall accrue on each partial advance as of the date that advance is transferred from

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BC Hydro to the Homeowner based on the term and interest rate selected by the Homeowner and, beginning the first complete month after each partial advance is transferred to the Homeowner, and each subsequent month thereafter, the interest accrued on that partial advance shall become payable by the Homeowner to BC Hydro and will be automatically withdrawn by BC Hydro from the Homeowner's account via the Pre-authorized Payment Plan on the first of each month. Beginning the first complete month after the final loan advance has been issued to the Homeowner, and each subsequent month thereafter, the loan instalment amounts payable by the Homeowner to BC Hydro inclusive of interest and principal will be automatically withdrawn by BC Hydro from the Homeowner's account via the Pre-authorized Payment Plan on the first of each month until the principal amount of the Power Smart Home Loan and all interest charges are paid in full. The amount of each loan instalment payment will be set out in the Loan Approval Letter and will be based on the term and interest rate selected by the Homeowner.

Monthly loan payments must be equal to or lesser than the Homeowner's average monthly electric bill for the 12 months immediately prior to the date of this Agreement. The Homeowner acknowledges and agrees that any loan payment amounts received by BC Hydro from the Homeowner will be applied first against any outstanding arrears of principal, interest and other charges under this Agreement, and applied second against any outstanding charges for electricity supplied to the Homeowner.

7.0 Term

The term and the amortization period of the Power Smart Home Loan commence on the date which is the date the loan advance is made if only one advance is made, or the date the final advance is made if staged advances. Interest shall commence to accrue on each loan advance on the date of each such loan advance.

8.0 Voluntary Payments

The Homeowner may, with written notice to BC Hydro, at any time pay all or part of the Power Smart Home Loan outstanding balance without fee or penalty. Such voluntary payments shall

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be applied on the next scheduled loan payment date to the remaining loan principal and act to reduce the term of the loan and interest accruing and shall have no impact on fixed monthly payment amounts.

9.0 Arrears and Disconnection

If the Homeowner fails to pay any amount required under Power Smart Home Loan, the Homeowner will pay interest on such arrears, before and after default and judgment, calculated at the rate of 19.6% per annum or 1.5% per month until paid. Such overdue loan payments and all accrued interest thereon will appear on the Homeowner's BC Hydro electricity bill and will be automatically withdrawn by BC Hydro from the account the Homeowner has designated in the Pre-authorized Payment Plan on the same day electricity payments are withdrawn monthly.

Should the Homeowner fail to pay overdue loan payments, BC Hydro may refuse to provide electricity service or discontinue electricity service at the Property upon prior written notice in addition to BC Hydro's other rights and remedies herein and at law. In

the event of electricity discontinuance, the Homeowner shall pay to BC Hydro all applicable charges, including a Collection Charge and a Service Reconnection Charge, set out in BC Hydro's Electric Tariff as approved by the British Columbia Utilities Commission and as amended from time to time (the "Tariff"). The Homeowner may avoid electricity discontinuance by settling the amount in arrears or entering into loan renegotiations with BC Hydro. If a cheque received by BC Hydro from a Homeowner or a pre-authorized payment deduction in payment of any amount due under this Agreement is returned by the Homeowner's bank, trust company or financial institution for the reason of not sufficient funds (NSF), or any reason other than clerical error, a returned cheque or pre-authorized payment charge, as set out in the Tariff, for processing each returned cheque or pre-authorized payment will be added to the amount due and payable by the Homeowner whether or not the service has been disconnected.

10.0 Transfer of Agreement Upon Sale

The Homeowner will notify BC Hydro in writing of the sale or other disposition of the Property, whether by the Homeowner or by a creditor of the Homeowner, prior to completion of sale or disposition. The Homeowner may transfer and assign this Agreement upon sale of the Property to the new Property owner provided the new Property owner meets all eligibility requirements

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established herein and is approved by BC Hydro and the new Property owner and Homeowner sign a Notice of Transfer. Should the terms of this clause not be met or should the new Property owner not be approved by BC Hydro, the Power Smart Home Loan must be paid in full by the Homeowner in accordance with clause 11.

11.0 Acceleration of Loan

Subject to clause 10, if the Homeowner sells or otherwise disposes of the Property without transferring this Agreement, discontinues as a BC Hydro electricity customer, becomes insolvent, or fails to make any payment under the Power Smart Home Loan when due, the entirety of the Power Smart Home Loan will immediately become due and payable upon written demand by BC Hydro and shall bear interest until paid as provided for in section 9.

12.0 Homeowner's Acknowledgements

The Homeowner acknowledges and agrees that:

- a. the Homeowner is the registered and beneficial owner of the Property;
- b. if this Agreement is signed by more than one Homeowner, the liability of each of the Homeowners under this Agreement will be joint and several;
- c. the selection of materials, the selection of contractors, renovation work performed by the Homeowner, and the supervision of the contractor's work is the responsibility of the Homeowner;
- d. any person performing the Work is not an employee, agent or independent contractor of BC Hydro and BC Hydro will not be liable for any act or omission of that person;
- e. the Homeowner is responsible for obtaining all building, electrical and/or gas permits required for the Work and/or to ensure that the contractor has done the same. The Homeowner shall further be responsible to ensure the Work meets applicable requirements of the British Columbia Building Code and applicable bylaws and is acceptable to inspection authorities;

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- f. any improvements made to the Property including all product and equipment used in any such improvements are the Homeowner's sole responsibility;
 - g. BC Hydro makes no representation or warranty, whether expressed or implied, in respect of any of the improvements that the Homeowner has implemented with the loan proceeds provided under this Agreement, including no assurances or guarantees as to the energy savings realizable upon the Work's completion;
 - h. the Homeowner waives any rights to any carbon credits, offsets or other credits or offsets that they may be eligible to receive as a result of the environmental and energy savings impact of the Work, and that such credits or offsets will be owned by BC Hydro.

13.0 BC Hydro Right to Deny

BC Hydro reserves the right to deny a loan to the Homeowner under this Program and elect not be bound by this Agreement should BC Hydro determine, in its sole discretion, that these terms and conditions and/or the provisions of the Improvement Financing Regulation are not met. If BC Hydro denies a loan application, BC Hydro shall notify the Homeowner in writing of that decision and shall have no further obligations in respect of the Work and the Homeowner shall not be eligible for any form of financial assistance from BC Hydro in respect of the Work.

14.0 Termination of Program

BC Hydro may terminate this pilot program at any time and without notice subject to the provisions of the *Clean Energy Act* [SBC 2010], c. 22 and any regulations promulgated thereunder. Notwithstanding the foregoing, all agreements and obligations thereunder duly entered into under this pilot program up to the date of termination shall survive such termination.

15.0 Remedies Cumulative

All rights and remedies stipulated for BC Hydro will be deemed to be in addition to and not restrictive of the right and remedies which BC Hydro might be entitled to at law or in equity.

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16.0 BC Hydro's Records

BC Hydro's books, accounts, and records will constitute, absent manifest error, prima facie evidence of the amount owing by the Homeowner under this Agreement; but the failure to make any entry or recording in such books, accounts, and records will not limit or otherwise affect the obligations of the Homeowner under this Agreement.

17.0 Set off

All amounts payable by the Homeowner under this Agreement will be paid without set-off or counterclaim, and without any deductions or withholdings whatsoever. BC Hydro may set-off any amounts payable by the Homeowner under this Agreement against any amounts payable by BC Hydro to the Homeowner.

18.0 Successors and Assigns

This Agreement is binding on the Homeowner and BC Hydro, their and each of their heirs, executors, administrators, and successors and the obligations of the Homeowner and cannot be assigned or transferred by the Homeowner without the prior written consent of BC Hydro except as provided by clause 10 herein.

19.0 General

This Agreement together with the Loan Approval Letter constitutes the entire agreement between the Homeowner and BC Hydro for the Power Smart Home Loan. This Agreement shall become binding as of the date of the Loan Approval Letter. The word 'Homeowner' where used in this Agreement is deemed to refer to all owners of the Property. This Agreement shall be interpreted and governed by the laws of British Columbia. All titles and headings are inserted for convenience of reference only and shall not be referred to in interpreting this Agreement. Time is of the essence of this Agreement. If one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, such provisions shall be deemed to be severable and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

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COMMISSION SECRETARY

Power Smart Home Loan Pilot Program



Appendix

B

**Revised Tariff Pages
Clean and Black-lined**

BC Hydro

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Estimated Construction Cost:	The cost estimated by BC Hydro to construct an Extension or provide a Service Connection.
Extension:	An addition to or the increased capacity of BC Hydro's electric distribution system required to serve a new Customer load or an addition to existing Customer load, but not including a Service Connection.
Extension Fee:	A contribution-in-aid of construction of an Extension from the Customer.
Financing Agreement:	An agreement under which BC Hydro provides financing to a customer for improving the energy efficiency of a building, or a part of a building.
General Service:	Electricity for all purposes, not otherwise specifically provided, including service to: <ol style="list-style-type: none">1. Common areas of Premises containing two or more Single-Family Dwellings.2. Dwellings where a part is used to carry on a business if the whole dwelling is supplied through one meter.3. Farms which cannot qualify for Residential Service.4. Hotels, motels, mobile home parks and similar establishments or parts thereof which do not qualify for Residential Service.5. Schools, churches, hospitals, halls and recreational establishments.6. Nursing homes, boarding and rooming houses.7. Marinas and yacht clubs.
Integrated Service Area:	All distribution areas served by BC Hydro within the limits from time to time outlined in Rate Map A, which is a part of this Tariff.
Kilovolt Ampere (kV.A):	The product of the effective volts across the terminals of a circuit by the effective amperes through it, divided by 1000.
Kilowatt (kW):	The rate of doing work, equal to 1000 watts.
Kilowatt Hour (kW.h):	The amount of Energy delivered in one hour, when delivery is at a constant rate of one kilowatt.

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2. APPLICATION FOR SERVICE

2.1. Application for Service

BC Hydro serves Customers solely in accordance with the Electric Tariff, including Terms and Conditions and Rate Schedules. Individuals, persons or other entities seeking to become Customers and purchase Electricity shall apply for service.

Application for service can be made in person, by telephone, online at www.bchydro.com, or in writing. Applicants may be required by BC Hydro to complete and sign a service agreement. However, except where a theft of service has occurred, a contractual relationship shall be established by the taking of Electricity in the absence of an application for service or signed service agreement.

Applicants may be required to provide information and identification acceptable to BC Hydro.

BC Hydro may refuse to provide service to an applicant if an occupant of the applicant's Premises has an unpaid account for service or an unpaid amount under a Financing Agreement incurred while the occupant previously occupied any Premises at the same time as the applicant.

A Service Connection and a meter are required to connect all Premises to BC Hydro's distribution system. A meter is not required in those cases where BC Hydro permits unmetered service. An Extension may also be required to provide service to a Premises not connected at the time the application for service is made.

2.2. Term of Service

Unless otherwise specifically provided in these Terms and Conditions, the Rate Schedules, or any service agreement between BC Hydro and the Customer, the term of service and obligation to pay the rates under the applicable Rate Schedules and any charges pursuant to these Terms and Conditions shall commence:

- (a) in the case of Premises requiring physical connection or re-connection of service, on the day when BC Hydro's service is connected to the Point of Delivery for the purpose of supplying Electricity; or
- (b) in the case of already connected Premises, on the day the Customer's right to possession of the Premises commences.

and shall continue for an indefinite period thereafter until terminated by either party in accordance with these Terms and Conditions.

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2.3. Refusal to Provide Service and Discontinuance of Service

BC Hydro may refuse to provide service or may discontinue without notice service to any Customer who:

1. failed to pay for service at any or all Premises, or
2. breached the terms and conditions upon which service is provided by BC Hydro, or
3. refused to provide reference information and identification acceptable to BC Hydro, when applying for service or at any subsequent time on request by BC Hydro, or
4. occupies the Premises with another occupant who has an outstanding account incurred for service or an outstanding amount under a Financing Agreement while occupying any Premises at the same time as the Customer, or
5. refuses to provide reasonable access for meter servicing or to read the meters for billing purposes, or
6. failed to pay an amount under a Financing Agreement.

For the purpose of this paragraph the term "Customer" shall have its ordinary meaning and shall not be restricted by its definition in these Terms and Conditions.

BC Hydro shall not be liable for any loss, injury or damage suffered by any Customer by reason of the discontinuation of or refusal to provide service as aforesaid.

2.4. Security Deposits

2.4.1. Pay As You Go Billing

With Pay As You Go Billing, BC Hydro will bill a Customer for the required amount at the beginning of the consumption period based on either the estimated monthly bill or one-twelfth of the estimated annual bill for electricity. The amount of the monthly instalment will be amended by BC Hydro from time to time. Such bills are deemed to have the same force and effect as bills which are based on actual meter readings.

The due date for payment of bills for Customers billed under Pay As You Go Billing is the first business day after the twenty-first (21st) calendar day following the billing date.

2.4.2. Security Deposits for Applicants

A Residential Service or General Service applicant who has not established credit satisfactory to BC Hydro shall be required to select one of the following options:

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The Customer may apply at any time in writing to be billed on another Rate Schedule from that under which the Customer is being served. BC Hydro may, in BC Hydro's sole discretion, reject, defer or approve such application.

In general, approval will not be granted:

1. if the Rate Schedule which the Customer applies for was used by the Customer during the preceding twelve months, or
2. if the rate applied for is, in the opinion of BC Hydro, not available to the Customer.

In addition to the rates and charges under any applicable Rate Schedule and any other charges provided for in these Terms and Conditions, the Customer shall also pay the charges set out in this part.

6.2. Late Payment Charge

If the amount due, which may include other charges as well as charges for Electricity, on any bill has not been paid in full on or before the due date shown on such bill, and if the unpaid balance is \$30 or more, a further bill will be rendered to include the overdue amount plus a late payment charge, as set out in the Schedule of Standard Charges. Notwithstanding the due date shown, to allow time for payments made to reach BC Hydro's payment processing centre and to coordinate the billing of late payment charges with scheduled billing cycles, BC Hydro may, in its discretion, waive late payment charges on payments not processed until a number of days after the due date.

6.3. Returned Cheque or Pre-Authorized Payment Charge

If a cheque received by BC Hydro from a Customer or a pre-authorized payment deduction in payment of any account or Financing Agreement amount is returned by the Customer's bank, trust company or financial institution for the reason of not sufficient funds (NSF), or any reason other than clerical error, a returned cheque or pre-authorized payment charge, as set out in the Schedule of Standard Charges, for processing each returned cheque or pre-authorized payment will be added to the amount due and payable by the Customer whether or not the service has been disconnected.

6.4. Account Charge

When a change of Customer occurs, an account charge, as set out in the Schedule of Standard Charges, shall be paid by the new Customer with respect to each account in that Customer's name for which a separate bill is rendered by BC Hydro, except in the following cases:

1. If the new Customer is, or was, the spouse of the former Customer.
2. If the new Customer is the owner or operator of multi-tenant Premises, one standard charge shall be paid with respect to all accounts for Single-Family Dwellings for which it will be the Customer in such Premises.

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6.5. Collection Charge

A collection charge, as set out in the Schedule of Standard Charges, shall be paid by the Customer each time a BC Hydro representative attends the Customer's Premises to disconnect service following issuance of a disconnect notice but, on attending, the Customer undertakes to pay the full amount overdue on the Customer's account or an amount under a Financing Agreement.

6.6. Call-Back Charge

A call-back charge, as set out in the Schedule of Standard Charges, shall be paid by the Customer each time a BC Hydro representative attends the Customer's Premises to install a new Service Connection at the request of the Customer but, on attending, is unable to install the Service Connection because the facilities required to be provided by the Customer, for this purpose, are found to be deficient.

6.7. Service Reconnection Charge

A Customer shall pay a Minimum Reconnection Charge, as set out in the Schedule of Standard Charges, when service is reconnected to Premises disconnected for the following reasons:

- (a) to permit the Customer to make alterations to or on the private property;
- (b) to permit a test of a meter at the request of a Customer, pursuant to the *Electricity and Gas Inspection Act (Canada)*, and the meter is later determined to be accurate within the limits prescribed by that Act;
- (c) because BC Hydro was ordered to disconnect by the appropriate inspection authority;
- (d) for breach of the Electric Tariff;
- (e) for failure to pay an amount under a Financing Agreement.

BC Hydro may add to the Minimum Reconnection Charges, as set out in the Schedule of Standard Charges, an amount to cover the costs incurred by BC Hydro when there are unusual circumstances.

A Customer shall not be required to pay a Minimum Reconnection Charge when the service disconnection was made for reasons of public safety, unless attributable to actions of the Customer, or when the service disconnection was made by BC Hydro for service requirements of BC Hydro.

6.8. Taxes and Levies

The rates and charges set out in this Tariff do not include the Goods and Services Tax (GST), the Social Services Tax or any other tax or levy which BC Hydro may be lawfully authorized or required to add to its normal rates and charges.

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9.10. Conflicting Terms and Conditions

Whenever anything in these Terms and Conditions is in conflict with any special terms or conditions provided in any Rate Schedule, the terms or conditions provided in the Rate Schedule shall prevail and whenever anything in these Terms and Conditions or in any Rate Schedule is in conflict with the terms of any special contract the terms of such special contract shall prevail.

9.11. Energy Efficiency Improvement Financing Pilot Program (City of Colwood)

Pursuant to section 17.1 of the *Clean Energy Act* and the *Improvement Financing Regulation*, for a two-year period beginning November 1, 2012 BC Hydro is offering financing to eligible persons for improving the energy efficiency of a building, or a part of a building, located in the City of Colwood. The terms and conditions under which financing is offered are contained in Electric Tariff Supplement No. 84.

10. RATE ZONE IB AND RATE ZONE II

10.1. Supply in Rate Zone IB and Rate Zone II

1. Where BC Hydro supplies Electricity in Rate Zone IB and Rate Zone II for an independent power producer Customer, BC Hydro may require that supply to such Customers be by special contract. Such supply is subject to special conditions as provided in this section and as BC Hydro, in its sole discretion, considers necessary to insert in the Customer's special contract.

BC Hydro will, where possible, supply such Customer, provided that:

- (a) service can be provided on terms which are not unduly uneconomic from BC Hydro's point of view, or
- (b) no undue disturbance will be caused either to the system or to other Customers.

Where impairment of supply to the area is or may be involved BC Hydro may supply only such part of the Customer's requirement as, in BC Hydro's opinion, may be supplied without impairment of supply to the area as a whole.

2. For an Independent Power Producer (IPP) Customer in Rate Zone IB and Rate Zone II, served under a special contract entitled "Interruptible Electricity Supply Agreement", the Energy component of the rate shall be the greater of:
 - (a) the unit price paid by BC Hydro to the IPP for the most recent purchase of Electricity from the IPP, or

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BC Hydro

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Estimated Construction Cost: The cost estimated by BC Hydro to construct an Extension or provide a Service Connection.

Extension: An addition to or the increased capacity of BC Hydro's electric distribution system required to serve a new Customer load or an addition to existing Customer load, but not including a Service Connection.

Extension Fee: A contribution-in-aid of construction of an Extension from the Customer.

Financing Agreement: An agreement under which BC Hydro provides financing to a customer for improving the energy efficiency of a building, or a part of a building.

General Service: Electricity for all purposes, not otherwise specifically provided, including service to:

1. Common areas of Premises containing two or more Single-Family Dwellings.
2. Dwellings where a part is used to carry on a business if the whole dwelling is supplied through one meter.
3. Farms which cannot qualify for Residential Service.
4. Hotels, motels, mobile home parks and similar establishments or parts thereof which do not qualify for Residential Service.
5. Schools, churches, hospitals, halls and recreational establishments.
6. Nursing homes, boarding and rooming houses.
7. Marinas and yacht clubs.

Integrated Service Area: All distribution areas served by BC Hydro within the limits from time to time outlined in Rate Map A, which is a part of this Tariff.

Kilovolt Ampere (kV.A): The product of the effective volts across the terminals of a circuit by the effective amperes through it, divided by 1000.

Kilowatt (kW): The rate of doing work, equal to 1000 watts.

Kilowatt Hour (kW.h): The amount of Energy delivered in one hour, when delivery is at a constant rate of one kilowatt.

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BC Hydro

Terms and Conditions

Effective: 01 November 2012 ~~April 2008~~

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2. APPLICATION FOR SERVICE

2.1. Application for Service

BC Hydro serves Customers solely in accordance with the Electric Tariff, including Terms and Conditions and Rate Schedules. Individuals, persons or other entities seeking to become Customers and purchase Electricity shall apply for service.

Application for service can be made in person, by telephone, online at www.bchydro.com, or in writing. Applicants may be required by BC Hydro to complete and sign a service agreement. However, except where a theft of service has occurred, a contractual relationship shall be established by the taking of Electricity in the absence of an application for service or signed service agreement.

Applicants may be required to provide information and identification acceptable to BC Hydro.

BC Hydro may refuse to provide service to an applicant if an occupant of the applicant's Premises has an unpaid account for service or an unpaid amount under a Financing Agreement incurred while the occupant previously occupied any Premises at the same time as the applicant.

A Service Connection and a meter are required to connect all Premises to BC Hydro's distribution system. A meter is not required in those cases where BC Hydro permits unmetered service. An Extension may also be required to provide service to a Premises not connected at the time the application for service is made.

2.2. Term of Service

Unless otherwise specifically provided in these Terms and Conditions, the Rate Schedules, or any service agreement between BC Hydro and the Customer, the term of service and obligation to pay the rates under the applicable Rate Schedules and any charges pursuant to these Terms and Conditions shall commence:

- (a) in the case of Premises requiring physical connection or re-connection of service, on the day when BC Hydro's service is connected to the Point of Delivery for the purpose of supplying Electricity; or
- (b) in the case of already connected Premises, on the day the Customer's right to possession of the Premises commences.

and shall continue for an indefinite period thereafter until terminated by either party in accordance with these Terms and Conditions.

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BC Hydro

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Effective: 01 ~~November 2012~~ December 2010

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2.3. Refusal to Provide Service and Discontinuance of Service

BC Hydro may refuse to provide service or may discontinue without notice service to any Customer who:

1. failed to pay for service at any or all Premises, or
2. breached the terms and conditions upon which service is provided by BC Hydro, or
3. refused to provide reference information and identification acceptable to BC Hydro, when applying for service or at any subsequent time on request by BC Hydro, or
4. occupies the Premises with another occupant who has an outstanding account incurred for service or an outstanding amount under a Financing Agreement while occupying any Premises at the same time as the Customer, or
5. refuses to provide reasonable access for meter servicing or to read the meters for billing purposes, or
6. failed to pay an amount under a Financing Agreement.

For the purpose of this paragraph the term "Customer" shall have its ordinary meaning and shall not be restricted by its definition in these Terms and Conditions.

BC Hydro shall not be liable for any loss, injury or damage suffered by any Customer by reason of the discontinuation of or refusal to provide service as aforesaid.

2.4. Security Deposits

2.4.1. Pay As You Go Billing

With Pay As You Go Billing, BC Hydro will bill a Customer for the required amount at the beginning of the consumption period based on either the estimated monthly bill or one-twelfth of the estimated annual bill for electricity. The amount of the monthly instalment will be amended by BC Hydro from time to time. Such bills are deemed to have the same force and effect as bills which are based on actual meter readings.

The due date for payment of bills for Customers billed under Pay As You Go Billing is the first business day after the twenty-first (21st) calendar day following the billing date.

2.4.2. Security Deposits for Applicants

A Residential Service or General Service applicant who has not established credit satisfactory to BC Hydro shall be required to select one of the following options:

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The Customer may apply at any time in writing to be billed on another Rate Schedule from that under which the Customer is being served. BC Hydro may, in BC Hydro's sole discretion, reject, defer or approve such application.

In general, approval will not be granted:

1. if the Rate Schedule which the Customer applies for was used by the Customer during the preceding twelve months, or
2. if the rate applied for is, in the opinion of BC Hydro, not available to the Customer.

In addition to the rates and charges under any applicable Rate Schedule and any other charges provided for in these Terms and Conditions, the Customer shall also pay the charges set out in this part.

6.2. Late Payment Charge

If the amount due, which may include other charges as well as charges for Electricity, on any bill has not been paid in full on or before the due date shown on such bill, and if the unpaid balance is \$30 or more, a further bill will be rendered to include the overdue amount plus a late payment charge, as set out in the Schedule of Standard Charges. Notwithstanding the due date shown, to allow time for payments made to reach BC Hydro's payment processing centre and to coordinate the billing of late payment charges with scheduled billing cycles, BC Hydro may, in its discretion, waive late payment charges on payments not processed until a number of days after the due date.

6.3. Returned Cheque or Pre-Authorized Payment Charge

If a cheque received by BC Hydro from a Customer or a pre-authorized payment deduction in payment of any account or Financing Agreement amount is returned by the Customer's bank, trust company or financial institution for the reason of not sufficient funds (NSF), or any reason other than clerical error, a returned cheque or pre-authorized payment charge, as set out in the Schedule of Standard Charges, for processing each returned cheque or pre-authorized payment will be added to the amount due and payable by the Customer whether or not the service has been disconnected.

6.4. Account Charge

When a change of Customer occurs, an account charge, as set out in the Schedule of Standard Charges, shall be paid by the new Customer with respect to each account in that Customer's name for which a separate bill is rendered by BC Hydro, except in the following cases:

1. If the new Customer is, or was, the spouse of the former Customer.
2. If the new Customer is the owner or operator of multi-tenant Premises, one standard charge shall be paid with respect to all accounts for Single-Family Dwellings for which it will be the Customer in such Premises.

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6.5. Collection Charge

A collection charge, as set out in the Schedule of Standard Charges, shall be paid by the Customer each time a BC Hydro representative attends the Customer's Premises to disconnect service following issuance of a disconnect notice but, on attending, the Customer undertakes to pay the full amount overdue on the Customer's account or an amount under a Financing Agreement.

6.6. Call-Back Charge

A call-back charge, as set out in the Schedule of Standard Charges, shall be paid by the Customer each time a BC Hydro representative attends the Customer's Premises to install a new Service Connection at the request of the Customer but, on attending, is unable to install the Service Connection because the facilities required to be provided by the Customer, for this purpose, are found to be deficient.

6.7. Service Reconnection Charge

A Customer shall pay a Minimum Reconnection Charge, as set out in the Schedule of Standard Charges, when service is reconnected to Premises disconnected for the following reasons:

- (a) to permit the Customer to make alterations to or on the private property;
- (b) to permit a test of a meter at the request of a Customer, pursuant to the *Electricity and Gas Inspection Act (Canada)*, and the meter is later determined to be accurate within the limits prescribed by that Act;
- (c) because BC Hydro was ordered to disconnect by the appropriate inspection authority;
- (d) for breach of the Electric Tariff;
- (e) for failure to pay an amount under a Financing Agreement.

BC Hydro may add to the Minimum Reconnection Charges, as set out in the Schedule of Standard Charges, an amount to cover the costs incurred by BC Hydro when there are unusual circumstances.

A Customer shall not be required to pay a Minimum Reconnection Charge when the service disconnection was made for reasons of public safety, unless attributable to actions of the Customer, or when the service disconnection was made by BC Hydro for service requirements of BC Hydro.

6.8. Taxes and Levies

The rates and charges set out in this Tariff do not include the Goods and Services Tax (GST), the Social Services Tax or any other tax or levy which BC Hydro may be lawfully authorized or required to add to its normal rates and charges.

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BC Hydro

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9.10. Conflicting Terms and Conditions

Whenever anything in these Terms and Conditions is in conflict with any special terms or conditions provided in any Rate Schedule, the terms or conditions provided in the Rate Schedule shall prevail and whenever anything in these Terms and Conditions or in any Rate Schedule is in conflict with the terms of any special contract the terms of such special contract shall prevail.

9.11. Energy Efficiency Improvement Financing Pilot Program (City of Colwood)

Pursuant to section 17.1 of the *Clean Energy Act* and the *Improvement Financing Regulation*, for a two-year period beginning November 1, 2012 BC Hydro is offering financing to eligible persons for improving the energy efficiency of a building, or a part of a building, located in the City of Colwood. The terms and conditions under which financing is offered are contained in Electric Tariff Supplement No. 84.

10. RATE ZONE IB AND RATE ZONE II

10.1. Supply in Rate Zone IB and Rate Zone II

1. Where BC Hydro supplies Electricity in Rate Zone IB and Rate Zone II for an independent power producer Customer, BC Hydro may require that supply to such Customers be by special contract. Such supply is subject to special conditions as provided in this section and as BC Hydro, in its sole discretion, considers necessary to insert in the Customer's special contract.

BC Hydro will, where possible, supply such Customer, provided that:

- (a) service can be provided on terms which are not unduly uneconomic from BC Hydro's point of view, or
- (b) no undue disturbance will be caused either to the system or to other Customers.

Where impairment of supply to the area is or may be involved BC Hydro may supply only such part of the Customer's requirement as, in BC Hydro's opinion, may be supplied without impairment of supply to the area as a whole.

2. For an Independent Power Producer (IPP) Customer in Rate Zone IB and Rate Zone II, served under a special contract entitled "Interruptible Electricity Supply Agreement", the Energy component of the rate shall be the greater of:
 - (a) the unit price paid by BC Hydro to the IPP for the most recent purchase of Electricity from the IPP, or

ACCEPTED: _____

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COMMISSION SECRETARY

Power Smart Home Loan Pilot Program



Appendix

C

Clean Energy Act
Section 17.1 – Improvement Financing

Improvement financing

17.1 (1) In this section:

"borrower" means an eligible person who receives financing under a financing agreement and includes a person to whom obligations are transferred as described in subsection (4) (a) or (6);

"eligible person" means a person who

- (a) receives or will receive service in British Columbia from a prescribed public utility,
- (b) has obtained an energy report from a qualified energy advisor, and
- (c) meets the prescribed requirements, if any;

"energy report" means a report that

- (a) is made and signed by a qualified energy advisor,
- (b) evaluates the energy efficiency of a building, or a part of a building, owned or occupied by an eligible person,
- (c) includes recommendations by the qualified energy advisor for improving the energy efficiency of the building, or the part of the building, referred to in paragraph (b), and
- (d) meets the other prescribed requirements, if any;

"financing agreement" means an agreement entered into as a result of an offer made under the program;

"landlord" means a landlord as defined in

- (a) the *Residential Tenancy Act*, and
- (b) the *Commercial Tenancy Act*;

"program" means a program established under subsection (2);

"qualified energy advisor" means an energy advisor who meets the prescribed qualifications;

"qualified person" means a person who meets the prescribed qualifications;

"tenant" means a tenant as defined in

- (a) the *Residential Tenancy Act*, and
- (b) the *Commercial Tenancy Act*.

(2) A prescribed public utility must establish and maintain a program to offer financing to eligible persons for improving the energy efficiency of a building, or a part of a building, owned or occupied by a borrower.

(3) Subject to subsection (4), a prescribed public utility may establish, in accordance with the prescribed requirements, if any, the criteria, terms and conditions on which offers under the program are to be made.

(4) A financing agreement must include the following terms:

- (a) a borrower may transfer the borrower's obligations under a financing agreement to another person who has applied for service from the prescribed public utility at the building, or the part of the building, that is the subject of the financing agreement;

- (b) a borrower's obligations under the borrower's financing agreement are not discharged until

- (i) the full amount payable under the financing agreement has been paid,
- (ii) the borrower has provided to the prescribed public utility a notice, in a form prescribed by the minister, of a transfer referred to in paragraph (a) or subsection (6), or
- (iii) the obligations have been transferred under subsection (6) (a) or (b);

- (c) a borrower who is a tenant must,

- (i) before entering into the financing agreement, obtain written consent from the tenant's landlord to enter into the financing agreement, and
- (ii) before obtaining the consent referred to in subparagraph (i), notify the landlord of the operation of subsection (6);

- (d) an improvement financed under the financing agreement must be

- (i) an improvement that is

(A) recommended in the energy report respecting the building, or the part of the building, owned or occupied by the borrower, and

(B) in a class of prescribed improvements, and

(ii) carried out by a qualified person.

(5) Subject to subsections (4) (b) and (6), if a borrower transfers a financing agreement to a person referred to in subsection (4) (a), the borrower's obligations under the financing agreement are transferred to the person on the date that the person begins to receive service from the prescribed public utility.

(6) If a landlord either transfers obligations under a financing agreement to a tenant under subsection (4) (a) or grants to a borrower the written consent referred to in subsection (4) (c), certain of the borrower's obligations under the financing agreement are transferred as follows:

(a) obligations that become due on or after the date that the borrower's tenancy with the landlord ends are transferred from the borrower to the landlord on that date;

(b) subject to subsection (7), obligations that become due on or after the date that a person begins a subsequent tenancy with the landlord respecting the rental unit previously occupied by the borrower are transferred from the landlord to the person on that date.

(7) A landlord referred to in subsection (6) must provide notice, as prescribed, to prospective tenants of the rental unit referred to in that subsection advising those prospective tenants of the operation of subsection (6) (b).

(8) A prescribed public utility may not enter into a financing agreement if doing so would result in the prescribed public utility having an aggregate outstanding balance of all of its financing agreements that exceeds the prescribed amount in the prescribed period.

(9) In setting rates under the *Utilities Commission Act* for a prescribed public utility that has entered into a financing

agreement, the commission must incorporate the financing agreement into those rates.

(10) A prescribed public utility has the same remedies in the event of a borrower's failure to pay an amount under a financing agreement that has been incorporated into its rates as it has for a borrower's failure to pay any other rates the borrower is obligated to pay as a customer of the public utility.

(11) Without limiting section 36 (1) (c),

- (a) a requirement prescribed by the minister, and
- (b) criteria, terms and conditions established by a prescribed public utility

made for the purposes of subsection (3) of this section may be made with respect to different regions and improvements and, in the case of a requirement prescribed by the minister, with respect to different prescribed public utilities.

Greenhouse gas reduction

18 (1) In this section, "**prescribed undertaking**" means a project, program, contract or expenditure that is in a class of projects, programs, contracts or expenditures prescribed for the purpose of reducing greenhouse gas emissions in British Columbia.

(2) In setting rates under the *Utilities Commission Act* for a public utility carrying out a prescribed undertaking, the commission must set rates that allow the public utility to collect sufficient revenue in each fiscal year to enable it to recover its costs incurred with respect to the prescribed undertaking.

(3) The commission must not exercise a power under the *Utilities Commission Act* in a way that would directly or indirectly prevent a public utility referred to in subsection (2) from carrying out a prescribed undertaking.

(4) A public utility referred to in subsection (2) must submit to the minister, on the minister's request, a report respecting the prescribed undertaking.

(5) A report to be submitted under subsection (4) must include the information the minister specifies and be submitted in the form and by the time the minister specifies.

Clean or renewable resources

Power Smart Home Loan Pilot Program



Appendix

D

**Ministerial Order No. M 191
Improvement Financing Regulation
September 13, 2012**

**Ministerial Order No. M 163
Improvement Financing Regulation
July 26, 2012**

BC Hydro Power Smart Home Loan Pilot Program
Appendix D - Ministerial Order Nos. 191 and 163
Improvement Financing Regulation

Sep. 13. 2012 9:49AM Rich Coleman, MLA
Sep. 13. 2012 9:12AM

No. 0461 P. 2/2
No. 0154 P. 3

PROVINCE OF BRITISH COLUMBIA
REGULATION OF THE MINISTER OF ENERGY, MINES AND NATURAL GAS
AND MINISTER RESPONSIBLE FOR HOUSING AND DEPUTY PREMIER

Clean Energy Act

Ministerial Order No. M 191

I, Rich Coleman, Minister of Energy, Mines and Natural Gas and Minister Responsible for Housing and Deputy Premier, order that the Improvement Financing Regulation, B.C. Reg. 236/2012, is amended


- (a) in section 3 (2) by striking out "is" and substituting "and FortisBC Energy Inc. are", and
- (b) by repealing section 6 (b) and substituting the following:
 - (b) \$500 000, for FortisBC Inc.;
 - (c) \$800 000, for FortisBC Energy Inc.

DEPOSITED

September 13, 2012

B.C. REG. 270/2012

Sept 13/2012
Date


Minister of Energy, Mines and Natural Gas
and Minister Responsible for Housing and
Deputy Premier

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Clean Energy Act*, S.B.C. 2010, c. 22, s. 37 (g.1)

Other:

September 10, 2012

RESUB 1 R/826/2012/18

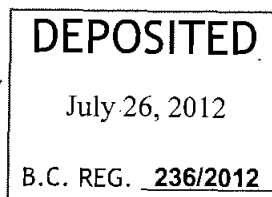
page 1 of 1

PROVINCE OF BRITISH COLUMBIA
REGULATION OF THE MINISTER OF ENERGY AND MINES
AND MINISTER RESPONSIBLE FOR HOUSING

Clean Energy Act


Ministerial Order No. M 163

I, Rich Coleman, Minister of Energy and Mines and Minister Responsible for Housing, order that the attached Improvement Financing Regulation is made.



JUL 24 2012

Date


Minister of Energy and Mines and
Minister Responsible for Housing

(This part is for administrative purposes only and is not part of the Order)

Authority under which Order is made:

Act and section: *Clean Energy Act, S.B.C. 2010, c. 22, s. 37 (s.1)*

Other:

July 18, 2012

R/S12/2012/27

page 1 of 6

IMPROVEMENT FINANCING REGULATION

Definitions

- 1 To this regulation:
- "Act" means the *Clean Energy Act*;
 - "application date" means the date on which an eligible person applies for improvement financing under section 17.1 of the Act;
 - "ASTT" means the Applied Science Technologists and Technicians of British Columbia;
 - "billing period", in relation to an eligible person, means the 12-month period immediately before the application date;
 - "HRAI" means the Heating, Refrigeration and Air Conditioning Institute of Canada;
 - "prescribed public utilities" means the public utilities prescribed under section 3;
 - "specified building" means a residential building of three stories or fewer that occupies no more than 600 m² of ground surface, is habitable all year and is
 - (a) a detached home,
 - (b) a building that is part of a complex of side-by-side attached buildings, or
 - (c) a mobile home on a permanent foundation;
 - "TECA" means the Thermal Environmental Comfort Association.

Eligible persons

- 2 The requirements prescribed for the purposes of the definition of "eligible person" in section 17.1 (1) of the Act are that
- (a) the person owns a specified building, or part of a specified building, in
 - (i) the City of Colwood, or
 - (ii) in the Regional District of Okanagan-Similkameen, other than those persons who receive electricity from the municipal public utilities of the City of Penticton or the District of Summerland,
 - (b) in the case of a specified building, or part of a specified building, in the City of Colwood, the building or part of the building is heated with electricity,
 - (c) the person must have paid on or before the due date all of the bills issued, if any, during the billing period by the public utility from whom the financing is sought, and
 - (d) the person, on the application date, must have a credit rating of at least 650 on the Equifax Beacon rating system.

Prescribed public utilities

- 3
- (1) The authority is prescribed for the purposes of section 17.1 of the Act respecting eligible persons referred to in section 2 (a) (i) of this regulation.
 - (2) FortisBC Inc. is prescribed for the purposes of section 17.1 of the Act respecting eligible persons referred to in section 2 (a) (ii) of this regulation.

Terms and conditions

- 4 (1) The proscribed public utilities, under a financing agreement,
- (a) may charge interest on the amount owing under the financing agreement from time to time, but the interest must be payable at a fixed rate that does not exceed 4.5 annual percentage rate, and
 - (b) must provide that the principal and any interest owing under the financing agreement is payable over a term of not less than 5 years, and that the amount of the principal and interest payments is determined on the basis of an amortization period of not less than 5 years.
- (2) For certainty, application fees, administration fees and late payment charges payable by a borrower in connection with the financing under a financing agreement do not constitute interest charges for the purposes of subsection (1).

Prescribed improvements

- 5 The following improvements are prescribed for the purposes of section 17.1 (4) (d) (1) (B) of the Act:
- (a) air sealing;
 - (b) mechanical ventilation;
 - (c) attic insulation;
 - (d) exterior wall insulation;
 - (e) basement, crawlspace and header insulation;
 - (f) primary method of heating occupied space;
 - (g) domestic hot water heating;
 - (h) window and door replacement.

Aggregate outstanding balances

- 6 The following amounts for the period from November 1, 2012 to November 1, 2014, are proscribed for the purposes of section 17.1 (8) of the Act:
- (a) \$500 000, for the authority;
 - (b) \$1 000 000, for FortisBC Inc.

Qualified energy advisors

- 7 To be a qualified energy advisor for the purposes of section 17.1 of the Act, an energy advisor must
- (a) be certified as an energy advisor by Natural Resources Canada, and
 - (b) be employed by or under contract with a service organization licensed by Natural Resources Canada to perform EnerGuide Rating System evaluations.

Energy reports

- 8 (1) An energy report respecting a specified building, or part of a specified building, must
- (a) be signed and dated by the qualified energy advisor who made the report,

- (b) be dated no earlier than 18 months before the date the financing agreement is entered into respecting the specified building or part of the specified building,
 - (c) include the EnerGuide Rating for Housing rating for the specified building,
 - (d) include the Residential Retrofit Energy Savings Estimate published by the ministry, and
 - (e) in the case of a specified building, or part of a specified building, in the City of Colwood, confirm that the building or part of the building is heated with electricity.
- (2) The estimate referred to in subsection (1) (d) may be included in an energy report after the report is otherwise completed, provided that the estimate is included in the report before the financing agreement is entered into between the parties.

Qualified person

- 9 A person is a qualified person for the purposes of section 17.1 of the Act if the person
- (a) is the owner of the specified building, or part of the specified building, with respect to which improvements are made under a financing agreement, or
 - (b) is authorized by the owner referred to in paragraph (a) to carry out the improvements under a financing agreement, and
 - (i) has attended, or is employed by a person who employs an individual who has attended, an information session respecting section 17.1 of the Act held by the ministry of the minister, and
 - (ii) for improvements recommended by energy reports signed and dated on or after October 2, 2013, and referred to in column 2 of the following table, has, or is employed by a person who employs an individual who has, one of the credentials referred to in column 1 of the following table opposite that improvement:

Item	Column 1 Credential	Column 2 Improvement
1	(a) Quality First Forced Air Guidelines Certification from TECA (b) SkillTech Residential Heat Loss/Gain and Air System Design Certification from HRAI (c) Registered Applied Science Mechanical Engineering Technologist certificate from ASTT	Air source heat pump installation or a natural gas furnace installation

2	(a) Quality First Hydronics and Combo Certification from TECA (b) SkillTech Residential Heat Loss/ Gain and Air System Design Certification from HRAI (c) Registered Applied Science Mechanical Engineering Technologist certificate from ASTT	Boiler installation
3	(a) Quality First Ventilation Certification from TECA (b) SkillTech Residential Heat Loss/ Gain and Air System Design Certification from HRAI (c) Registered Applied Science Mechanical Engineering Technologist certificate from ASTT	Heat recovery ventilator installation

Notice

10 The form set out in the schedule is prescribed for the purposes of section 17.1 (4) (b) (ii) of the Act.

SCHEDULE
IMPROVEMENT FINANCING: NOTICE OF TRANSFER

This notice is provided by(name of transferor)..... to(name of public utility).....
(the parties) in accordance with section 17.1 (4) (b) (ii) of the *Clean Energy Act*.

On(date).....,(name of transferor)..... transferred his or her obligations under the
financing agreement between the parties that

- (a) was entered into on(date)..... for a term ending on(date).....;
- (b) provided(total amount of financing provided)..... at an interest rate of
.....; and
- (c) financed the following improvements at(address of building).....:
.....(description of each improvement financed by the financing agreement).....
.....

The transferor's customer utility number is.....

The obligations under the financing agreement have been transferred to(name, address and contact
information of transferee)..... The outstanding balance under the financing agreement on the date of
transfer is.....

The transferee, by signing this notice, acknowledges having received from the transferor a copy of the
energy report that supported the financing agreement between the parties, having read and understood the
terms and conditions of the financing agreement, and having agreed to assume the outstanding obligations
of the transferor under the financing agreement.

.....
(signature of transferee) (date)

.....
(signature of transferor) (date)

Power Smart Home Loan Pilot Program



Appendix

E

Draft Order

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-



SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

Application by British Columbia Hydro and Power Authority (BC Hydro)
Regarding Electric Tariff Amendments for the Power Smart Home Loan Pilot Program

BEFORE:

, 2012

ORDER

WHEREAS:

- A. The *Clean Energy Act*, section 17.1, requires prescribed public utilities to offer financing to eligible persons for improving the energy efficiency of a building, or a part of a building;
- B. On July 24, 2012, the Improvement Financing Regulation was issued prescribing BC Hydro for the purposes of the *Clean Energy Act*, section 17.1, and specifying the scope and certain terms and conditions of the home improvement financing BC Hydro must offer to eligible persons in the City of Colwood, British Columbia for a two-year period beginning November 1, 2012; and
- C. On October 1, 2012, BC Hydro filed the Power Smart Home Loan Pilot Program Application (Application) pursuant to the *Clean Energy Act*, section 17.1(9) and sections 58 to 61 of the *Utilities Commission Act*, seeking incorporation of BC Hydro's form of financing agreement (Improvement Financing Agreement) into BC Hydro's rates as a tariff supplement, as contemplated by that section of the *Clean Energy Act*. The Application also sought BCUC approval to amend the BC Hydro Electric Tariff Terms and Conditions in relation to the Power Smart Home Loan Pilot Program.

BRITISH COLUMBIA UTILITIES COMMISSION	
ORDER NUMBER	G-

2

NOW THEREFORE the Commission orders as follows:

1. The Improvement Financing Agreement form is accepted as BC Hydro Electric Tariff Supplement No. 84, effective November 1, 2012; and
2. The amendments to the BC Hydro Electric Tariff Terms and Conditions set out in Appendix B to the Application are approved, effective November 1, 2012.

DATED at the City of Vancouver, in the Province of British Columbia, this day of , 2012.

BY ORDER

DRAFT