

**Tom A. Loski**

Chief Regulatory Officer

Phone: 604-623-4046

Fax: 604-623-4407

bchydroregulatorygroup@bchydro.com

January 14, 2016

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 or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
2015 Rate Design Application (2015 RDA)**

BC Hydro writes in response to the Commission's letter of January 8, 2016 (**Exhibit A-9**) regarding Ms. Sharon Noble's request for intervener status and to address the additional issues she raised as regarding the Electric Tariff amendments filed as Exhibit B-1-1 on December 21, 2015.

Background

BC Hydro filed its 2015 Rate Design Application (**2015 RDA Module 1**) on September 24, 2015 (**Exhibit B-1**). Commission Order No. G-156-15 (**Exhibit A-2**) set the date of October 14, 2015 for registration of interveners and interested parties in the proceeding.

Ms. Noble in her email of January 6, 2016, attached to Exhibit A-9, noted that "the Tariff Amendments were not included in the initial application". BC Hydro indicated in Exhibit B-1 that updated Electric Tariff Terms and Conditions were not included in the September 24, 2015 filing and would be submitted with its responses to Round 1 information requests (**IRs**). The updated Electric Tariff Terms and Conditions were filed on December 21, 2015 as Exhibit B-1-1. As noted in Attachment 1 to Exhibit B-1-1, the updates to the Electric Tariff Terms and Conditions are primarily of an administrative nature. However, the main substantive change to the Electric Tariff Terms and Conditions, namely revisions to conditions for assessing a security deposit and the amount of the security deposit, were included in Exhibit B-1 in section 8.4. In addition, all of the relevant Standard Charges, including the Minimum Reconnection Charge addressing a manual reconnection at the point of connection because the customer refused access to the meter (\$700 per meter), were included as part of Exhibit B-1 in

section 8.3. The \$700 per meter Minimum Reconnection Charge is one of the four issues raised by Ms. Noble in her request for reinstatement of her intervener status.

In Exhibit A-9 the Commission seeks submissions on two related matters:

- “1. Whether Ms. Noble’s requests on behalf of herself and others are appropriate and relevant to the 2015 Rate Design Application proceeding; and
2. If yes, should the Commission allow Ms. Noble’s late intervention to address her stated issues?”

BC Hydro will address both matters together as they are interlinked. BC Hydro’s submission also addresses the letters of comment concerning the matters raised by Ms. Noble (Exhibits E-4-1 through to E-25).

1 Summary of BC Hydro’s Submission

Ms. Noble appears to base her intervention request on the following four matters:

- Minimum Reconnection Charges, and in particular the \$700 per meter charge referenced above – BC Hydro does not oppose Ms. Noble’s intervention for purposes of review of the \$700 per meter charge provided Ms. Noble takes the proceedings as she finds them;
- A change to the definition of Smart Meter in section 1 of the updated Electric Tariff Terms and Conditions without a change to the definition of Radio-off Meter - The change made to the Smart Meter definition is of a minor nature and is not necessary; accordingly BC Hydro is revising its proposal. A copy of the revised definition of Smart Meter in section 1 of the Electric Tariff is provided as Attachment 1. Accordingly BC Hydro opposes Ms. Noble’s intervention on the basis of the definitions of Smart Meter and Radio-off Meter;
- Liability of BC Hydro – Ms. Noble highlights the following sentence in section 9.5 of the Electric Tariff: “whether caused by the negligence of BC Hydro, or its representatives or agents or otherwise”. As is explained below, this language has been in place since at least 1980 and was not the subject of the updated Electric Tariff Terms and Conditions submitted as Exhibit B-1-1. BC Hydro’s general position is that the 2015 RDA Module 1 review is appropriately focused on the updates proposed for the Electric Tariff Terms and Conditions, as opposed to review of Electric Tariff Terms and Conditions language that has been in place for decades. However, BC Hydro is not opposed to a Commission decision that the language cited by Ms. Noble be reviewed as part of the 2015 RDA Module 1 process;
- Service Agreement – As part of the updated Electric Tariff Terms and Conditions, BC Hydro has proposed changes to section 2.1 of the Electric Tariff. Accordingly BC Hydro does not oppose Ms. Noble’s intervention for purposes of reviewing section 2.1 of the Electric Tariff, provided Ms. Noble takes the proceedings as she finds them.

Ms. Noble indicated the filing of the updates to the Electric Tariff should allow for further intervener registrations as the changes “appear to be new and outside the application for Rate Design”. BC Hydro does not agree that the filing of the Electric Tariff Terms and Conditions updates is outside the scope of the 2015 RDA Module 1 because BC Hydro specifically stated that the updated Electric Tariff Terms and Conditions would be submitted as part of its responses to Round 1 IRs; refer to Exhibit B-1, section 1.7.3 and section 8.5. As the time for intervener registration has long passed and as the substantive Electric Tariff amendments have been provided for in section 8.4 of Exhibit B-1 (security deposits as described above), BC Hydro respectfully requests that that intervener registration be re-opened only to those interveners who requested the Meter Choices Program charges be included in the 2015 RDA and who subsequently had their intervener status rescinded. Including Ms. Noble, they are:

Exhibit Number	Intervener
C17-1	Garry Lybeck
C19-1	Jayne Priest
C21-1	Janis Hoffmann
C23-1	Bob Tucker
C24-1	Sherry Ridout
C25-1	Lori Hoffmann
C28-1	Sharon Noble
C31-1	Bruce Edwards
C32-1	Jim Ervin
C34-1	Ethelyn Rankin

As with Ms. Noble, the issues raised by these interveners should not be related to the Meter Choices Program given the Commission Order No. G-175-15 (**Exhibit A-4**) dated November 3, 2015 determined that the Meter Choices Program charges are not within scope of the 2015 RDA Module 1.

2 Discussion

2.1 Section 11.3 Minimum Reconnection Charges

The Minimum Reconnection Charges are within scope of 2015 RDA Module 1, including the proposed \$700 per meter charge:

- In section 8.3.2 of Exhibit B-1, BC Hydro proposed updates to the Minimum Reconnection Charges to reflect its current costs;
- Exhibit B-1, page 8-11 (lines 3 – 14) provided the rationale for the \$700 per meter charge noting that higher costs are incurred for manual disconnections/reconnections which need to be done at the point of connection as the customer has refused access to the meter; and

- Appendix G-1B of Exhibit B-1 provided the derivation of the Minimum Reconnection Charges. BC Hydro's total cost for a disconnection and reconnection at the point of connection is \$702.28.

BC Hydro does not agree with Ms. Noble's assertion that the \$700 per meter charge is "directed exclusively toward those in the Meter Choice Program". As there are other situations where customers refuse access to the meter and a manual disconnection and reconnection at the point of connection are required, the \$700 per meter charge is not exclusively applied to Meter Choices Program customers. It is not a Meter Choices Program charge and should be reviewed with the other Minimum Reconnection Charges.

BC Hydro notes that many if not most of the letters of comment submitted (Exhibits E-5 through E-25) appear to reference the \$700 per meter charge as a basis for reopening the Meter Choices Program charges and having those charges reviewed as part of 2015 RDA Module 1. However, in Order No. G-175-15 (Exhibit A-4) dated November 3, 2015, the Commission determined that the Meter Choices Program is not within the scope of the 2015 RDA given the charges had recently been decided on. The Commission further provided the ten interveners with the opportunity to raise issues within scope of the 2015 RDA otherwise their intervener status would be rescinded. One intervener, Ms. Jayne Priest, sought a reconsideration of Commission Order No. G-175-15 but the Commission determined the request did not meet the Commission's reconsideration criteria to proceed to Phase 1 of the Reconsideration Process (Exhibit A-7). BC Hydro does not oppose Ms. Noble's intervention with respect to the \$700 per meter charge provided that the Commission's ruling in Exhibit A-4 that the Meter Choices Program charges are not within scope of the 2015 RDA Module 1 is adhered to.

2.2 Definitions: Radio-off Meter and Smart Meter

This issue is discussed above in the summary. Attachment 1 includes a revised black-lined and clean copy of the Smart Meter definition.

Remove	Insert
Appendix G-1A – Page 19 of 202	Appendix G-1A Revision 1 – Page 19 of 202 – January 14, 2016
Appendix G-1C – Page 11 of 221	Appendix G-1C Revision 1 – Page 11 of 221 – January 14, 2016

2.3 Section 9.5 Liability of BC Hydro

BC Hydro notes the following with respect to the liability sentence highlighted by Ms. Noble in her email of December 27, 2015 attached to Exhibit A-9:

- Similar language has been in place in the BC Hydro Electric Tariff at least as far back as May 1980, as set out below:

“Liability of Authority

The Authority will endeavour to provide a regular and uninterrupted supply of electricity but it does not guarantee a constant supply of electricity or the maintenance of unvaried frequency or voltage and shall not be liable for any loss, injury, damage or expense caused by or resulting from any interruption, termination, failure or defect in the supply of electricity, whether caused by negligence of the Authority, its servants or agents, or otherwise.

Electric service may be temporarily suspended to make repairs or improvements to the Authority’s system or in the event of fire, flood or other sudden emergency. The Authority will, whenever practicable, give notice of such suspension to the customer and will restore service as soon as reasonably possible. Such notice may be given by newspaper, radio or television announcement. The Authority shall not be liable for any loss, injury or damage caused by or arising out of any such suspension of service.”

- The jurisdictional review of utilities noted in the cover letter accompanying Exhibit B-1-1, indicated that a number of other electric utility tariffs include similar liability language to what is used by BC Hydro. Examples include section 8.1 of the FortisBC Inc. Electric Tariff; section 24.1 of the FortisBC Energy Inc. General Terms and Conditions; sections 5.2 and 5.3 of the ENMAX Distribution Tariff Terms and Conditions; section 1.9 of the Hydro One Networks Inc. Distribution Customers Conditions of Service; and section 1.6 of the Toronto Hydro Conditions of Service.

As noted above under the summary, BC Hydro is not opposed to a Commission decision that the liability language cited by Ms. Noble be reviewed as part of the 2015 RDA Module 1 process.

2.4 Section 2.1 Application for Service and Service Agreement

BC Hydro believes that section 2.1 of the Electric Tariff is appropriate for review as part of the 2015 RDA Module 1 proceeding. BC Hydro notes section 2.1 has been modified for simplification and clarity as noted in Attachment 1 to Exhibit B-1-1. The terms and conditions regarding the Service Agreement between the Customer and BC Hydro still remain.

January 14, 2016
Ms. Erica Hamilton
Commission Secretary
British Columbia Utilities Commission
2015 Rate Design Application (2015 RDA)

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For further information, please contact Gordon Doyle at 604-623-3815 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,

Original signed

Tom Loski
Chief Regulatory Officer

jc/rh

Enclosure

Copy to: BCUC (BC Hydro 2015 Rate Design Application) Registered Intervener
Distribution List.

2015 Rate Design Application

Attachment 1

Electric Tariff Amendment – Section 1 Clean and Black-lined

Residential Service	<p>Except as otherwise provided in section 6.1.3 (General Service Election – Residential Customers), Service for use:</p> <ol style="list-style-type: none"> 1. In Dwellings, including Dwellings where a portion is used to carry on a business; 2. In the common areas of multiple occupancy buildings if such common areas are used only for the common benefit of Dwellings in that building; and 3. At farms, in the circumstances described in section 6.1.2 (Eligibility of Farms for Residential Service).
Secondary Voltage	A voltage of less than 750 volts (V) measured phase to phase.
Service	The provision by BC Hydro of Electricity to a Premises.
Service Agreement	The agreement setting out the rights and responsibilities of BC Hydro and a Customer for Service, including the application for Service accepted by BC Hydro (if any), all applicable provisions of the Terms and Conditions and applicable Rate Schedule(s), and any additional terms and conditions of Service as agreed by BC Hydro and the Customer in an Electric Tariff Supplement or otherwise.
Service Connection	That part of the BC Hydro distribution system extending between a Point of Delivery and the first point of attachment to the rest of the BC Hydro distribution system.
Smart Meter	<p>An Electricity meter that:</p> <ol style="list-style-type: none"> 1. Meets the requirements set out in section 2 of the <i>Smart Meters and Smart Grid Regulation</i>, B.C. Reg. 368/2010, and 2. Has components that transmit data by radio and those components are activated.
Street Lighting Service	BC Hydro-Owned Street Lighting Service or Customer-Owned Street Lighting Service or both, as the context requires.

ACCEPTED: _____

ORDER NO. _____

Single-Family Dwelling	A single family dwelling used only as a dwelling and consisting of single family living quarters having in one self-contained unit at least sleeping quarters, a kitchen and bathroom or alternative living quarters acceptable to BC Hydro.
Smart Meter	An <u>Electricity</u> meter that: <ol style="list-style-type: none"> <u>Meets</u> the requirements set out in section 2 of the <i>Smart Meters and Smart Grid Regulation</i>, B.C. Reg. 368/2010, and <u>Has</u> components that transmit <u>and / or receive</u> data by radio and those components are activated.
Span of Line	A distribution conductor which spans between two BC Hydro poles.
<u>Street Lighting Service</u>	<u>BC Hydro-Owned Street Lighting Service or Customer-Owned Street Lighting Service or both, as the context requires.</u>
System Improvement Costs	The incremental costs that <u>cost of work on</u> BC Hydro's estimates will be incurred on the distribution system, including distribution substations, attributed to a Customer's new load or increased Service requirements, as estimated by BC Hydro.
Temporary Service	A service <u>Service that where Electricity will be, or, in the</u> BC Hydro's determination, of BC Hydro is likely to be, taken for a temporary period of time <u>temporarily.</u>
<u>Termination</u>	<u>Cessation of Service to a Premises under any applicable Rate Schedule(s) or termination of the Service Agreement with a Customer, as the context requires.</u>
<u>Terms and Conditions</u>	<u>These terms and conditions of Service, as filed with the British Columbia Utilities Commission from time to time.</u>
Transformation	Includes transformers, switches, fuses, cutouts, surge arrestors and associated equipment, and labour for installation <u>The transformation of Primary Voltage to Secondary Voltage, including all associated labour, equipment and materials.</u>

ACCEPTED: _____

ORDER NO. _____