



British Columbia
Utilities Commission

Laurel Ross
Acting Commission Secretary

Commission.Secretary@bcuc.com
Website: www.bcuc.com

Sixth Floor, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
TEL: (604) 660-4700
BC Toll Free: 1-800-663-1385
FAX: (604) 660-1102

Log No. 51126

VIA EMAIL

bchydroregulatorygroup@bchydro.com

February 19, 2016

BC HYDRO
2015 RATE DESIGN

EXHIBIT A-20

Mr. Tom Loski
Chief Regulatory Officer
Regulatory & Rates Group
British Columbia Hydro and Power Authority
16th Floor – 333 Dunsmuir Street
Vancouver, BC V6B 5R3

Dear Mr. Loski:

Re: British Columbia Hydro and Power Authority
Project No. 3698781/G-156-15
2015 Rate Design Application Module 1
Transmission Service Rate Schedules 1827, 1852, 1853 and 1253

Further to Order G-12-16 which requested intervener argument on BC Hydro's proposals for the above noted rate schedules, enclosed please find Commission Order G-20-16.

Yours truly,

Original signed by:

Laurel Ross

EC/cms
Enclosure



ORDER NUMBER
G-20-16

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

and

British Columbia Hydro and Power Authority
2015 Rate Design Application

BEFORE:

D. M. Morton, Commissioner/Panel Chair
D. A. Cote, Commissioner
K. A. Keilty, Commissioner

on February 19, 2016

ORDER

WHEREAS:

- A. British Columbia Hydro and Power Authority (BC Hydro) filed the 2015 Rate Design Application (RDA) on September 24, 2015, pursuant to sections 58-61 of the *Utilities Commission Act*;
- B. In the Application, BC Hydro noted that a number of existing rate schedules (RS) did not result in any significant issues being raised during the stakeholder engagement process preceding the filing of the Application. At the procedural conference, BC Hydro further requested that the Transmission Stepped Rate RS 1827 (Exempt Customers), RS 1852 (Modified Demand), RS 1853 (IPP Service Station) and General Service Rate RS 1253 (IPP Service Station), among others, proceed directly to written argument after the first round of information requests;
- C. BC Hydro is proposing: (i) that no changes be made to RS 1827; (ii) that only wording changes regarding availability be made to RS 1852; (iii) that no changes be made to RS 1853; and (iv) that no changes be made to RS 1253;
- D. By Order G-12-16 dated February 1, 2016, the Commission ordered that RS 1253, RS 1853, RS 1852 and RS 1827 be reviewed by proceeding directly to written argument and set the argument phase for the period February 5, 2016 to February 12, 2016;
- E. Intervener arguments were filed by the Association of Major Power Customers of British Columbia (AMPC), the British Columbia Old Age Pensioners' Organization *et al.*, the British Columbia Sustainable Energy Association and the Sierra Club of B.C., the Commercial Energy Consumers Association of British Columbia (CEC), the Non-Integrated Area Rates Group, New Westminster Electrical Utility (New West), and Vancouver International Airport Authority (YVR). None of the interveners who filed arguments opposed BC Hydro's proposals;

- F. CEC, in addition to accepting BC Hydro's recommendation for status quo with respect to RS 1827, also recommends that the Commission require evidence of significant demand side management (DSM) initiatives by the exempt customers in order to qualify for RS 1827. AMPC, while submitting that BC Hydro's proposals with respect to RS 1827, RS 1852, RS 1853 and RS 1253 be approved, also expresses concern that certain wholesale customers with different load profiles than other Transmission Service customers are grouped in the same rate class as RS 1827; however, AMPC further submits that at this stage, it does not urge any changes to the RS 1827 despite its concern;
- G. In reply, BC Hydro notes that none of the interveners oppose its proposals. BC Hydro submits that it opposes CEC's proposal regarding new eligibility requirements for RS 1827 service because New West and the University of British Columbia are entitled in law to receive service under RS 1827. With regard to YVR and Simon Fraser University, BC Hydro submits that it would be unduly discriminatory to require those customers to furnish evidence regarding their DSM expenditures when the Commission does not require such evidence from New West and the University of British Columbia. BC Hydro further notes in its reply that CEC's proposal is insufficiently developed to be the basis of a lawful order without potentially significant further process; and
- H. The Commission Panel has considered all the submissions as well as the proposal from CEC and has determined that BC Hydro's proposals with respect to RS 1827, RS 1852, RS 1853 and RS 1253 warrant approval.

NOW THEREFORE pursuant to sections 58-61 of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

1. The amendments to Rate Schedule 1852 as shown in draft tariff sheets of Appendix F-1C of the Application, are approved effective April 1, 2016.
2. BC Hydro's proposals for the status quo for Rate Schedule 1827, Rate Schedule 1853 and Rate Schedule 1253 are approved.
3. CEC's proposal that the Commission require evidence of significant demand side management initiatives by the exempt customers in order to qualify for RS 1827 is denied. The Panel's reasons are attached as Appendix A to this order.
4. BC Hydro is directed to file the amended tariff within 15 business days of the date of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of February 2016.

BY ORDER

Original signed by:

D. M. Morton
Commissioner/Panel Chair

Attachment

British Columbia Hydro and Power Authority
2015 Rate Design Application

REASONS FOR DECISION

In its final argument, the Commercial Energy Consumers of B.C. (CEC) proposed that the British Columbia Utilities Commission (Commission) should recommend to the provincial government that the four exempt customers should be required to undertake significant demand side management (DSM) initiatives to qualify for Rate Schedule (RS) 1827.

One of the exempt customers, Vancouver International Airport Authority (YVR), submits that it has limited control over the use of electricity and the vast majority of the load is required to support continuous operations of the airport 24 hours a day, 7 days a week. YVR supports its position for the continuation of RS 1827 eligibility by highlighting the significant steps towards energy conservation since 2000 and its commitment to continuously improve its energy performance with its own Energy Reduction Committee (YVR Argument, p. 2).

British Columbia Hydro and Power Authority (BC Hydro) opposes the CEC's proposal. BC Hydro points out that the City of New Westminster (New West) and the University of British Columbia (UBC) are entitled in law to receive service under RS 1827 and that it would be unduly discriminatory to require YVR and Simon Fraser University to furnish evidence regarding their DSM expenditures when the Commission may not require such evidence from New West and UBC. BC Hydro also observes that the CEC's proposal is insufficiently developed. (BC Hydro Reply Argument, p. 2)

The Panel notes that CEC's Proposal has not been tested in evidence. The Commission Panel also agrees with BC Hydro that New West and UBC are entitled in law to receive service under RS 1827 and it would be unduly discriminatory to require YVR and Simon Fraser University to furnish evidence regarding their DSM expenditures. Therefore, the Panel denies CEC's proposal that the commission require evidence of significant DSM initiatives by the exempt customers in order to qualify for RS 1827.