

**NON-INTEGRATED AREAS RATEPAYERS GROUP (“NIARG”)  
INFORMATION REQUEST NO. 2 TO BC HYDRO  
BC HYDRO 2015 RATE DESIGN APPLICATION – MODULE 1**

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**RIB Rate Report**

**1.0 Reference: Exhibit B-5, BCUC 1.47.1.1**

1.1 Does BC Hydro agree that the conservation objectives of the RIB rate are impractical to achieve in areas where natural gas is not an available alternative for space heating and water heating?

1.2 Does BC Hydro agree that it would be inappropriate to apply the RIB rate in areas where natural gas is not an available alternative for space heating and water heating as there is no reasonable prospect that it will motivate customers to change their behavior by reducing electricity consumption?

1.3 Are there other reasons why the RIB rate may not be appropriate in areas where there are not practical alternatives to electric heat as the primary heating source?

**Residential End Use Survey**

**2.0 Reference: Exhibit B-1, pages 5-64 -5-67 and Appendix C-3F REUS**

**Preamble:** It appears that BC Hydro’s Residential End Use Survey did not include Zone IB and Zone II.

2.1 If Zone IB and Zone II customers were not included in the Residential End Use Survey please explain why not. If they were included, please describe to what extent.

2.2 If Zone IB and Zone customers were not included for purposes of Module 1, does BC Hydro intend to conduct a Residential End Use Survey of customers in the non-integrated areas as part of the consultation process leading up to Module 2 of the RDA? If not, why not?

2.3 If a Residential End Use Survey for the non-integrated areas is contemplated will BC Hydro commit to consulting with Zone IB and Zone II customers in advance of conducting the survey to ensure that the survey questions are appropriately modified to

explore or reflect circumstances and concerns that are unique to the non-integrated areas?

### **Customer Focus Groups**

#### **3.0 Reference: Exhibit B-1, p. 2-21 – 2-25**

3.1 Did any of the customer focus group sessions conducted by BC Hydro include customers from Zone IB or Zone II?

3.2 If Zone IB and Zone II customers were not included in the sessions, what were the reasons for not including them?

3.3 If Zone IB and Zone II customers were not included in the sessions, would it have been possible to do so through on-line participation as was done with residents from the Interior, Northern B.C. and Vancouver Island/Gulf Islands?

3.4 Are customer focus group sessions with Zone IB and Zone II customers intended to be part of the consultation process leading up to Module 2 of the 2015 RDA?

### **Potential Low Income Terms and Conditions**

#### **4.0 Reference: Exhibit B-1 page 5-12 and BCOAPO 1.103.1**

**Preamble:** BC Hydro's Response to BCOAPO 1.103.1 mentions 170,000 Low Income customers and the Application mentions 161,287 Residential low income accounts.

4.1 Is the estimate of 161,287 based entirely on 10% of total Residential accounts assumed to be low income using Statistics Canada's LICO? If not, please describe any other assumptions inherent in that estimate.

4.2 Does BC Hydro's estimate include Zone I and Zone II customers? If not, does BC Hydro anticipate that the same or different underlying assumptions would apply to Zone IB and Zone II customers?

4.3 Does BC Hydro expect that the percentage of low income customers in Zone IB and Zone II would be lesser, greater or equal to the percentage of low income customers in Zone I?

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4.4 Does BC Hydro expect that the number of customers in Zone IB and Zone II who rely on electric heat as the primary heating source will be close to 100%?

4.5 What type of data, and from what sources, would BC Hydro require to refine its estimate of the number of customers within the Residential class broken out by Zone that may qualify for Low Income rates?

4.6 What consideration has BC Hydro given to making Low Income rate eligibility dependent upon the location of customers (e.g. an area with statistically demonstrated low income residents) vs. eligibility dependent upon individual financial circumstances?

4.7 If Low Income rate eligibility were to be determined entirely by individual financial circumstances would BC Hydro propose to rely on customers self-reporting or qualifying through a verification process of some sort?

4.8 Has BC Hydro considered what type of income test or other verification process for Low Income rate eligibility would be likely to provide the best balance of fairness, privacy, efficiency and reasonable cost? Please identify other considerations that should apply.

**Electric Tariff Terms and Conditions**

**5.0 Reference: Exhibit B-5, BCUC IR 120.2**

**Preamble:** In response to BCUC IR 120.2, BC Hydro stated that the loaded standard labour rate (SLR) increased from \$65.08 in the 2007 RDA to \$143.57 in the 2015 RDA due to “A change in loading methodology on distribution work.”

5.1 To what extent did BC Hydro consider customers’ ability to pay when increasing the SLR by over 120% in eight years?

5.2 In BC Hydro’s view, does the “rate shock” concept extend to fees and charges or is it limited to increases in rates for electric service? Please explain.