

**MOVEMENT OF UNITED PROFESSIONALS (MOVEUP),  
(OTHERWISE KNOWN AS COPE 378)  
INFORMATION REQUEST NO. 1 TO BCOAPO et al.  
BC HYDRO 2015 RATE DESIGN  
Project No. 6398781**

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- 1.0 Reference: Part 1. An Essential Services Usage Block in the Residential Inclining Block Rate.  
A. The Need for an Essential Services Usage Block**

**Exhibit C2-12, Direct Testimony of Roger Colton, page 7**

Residential Customers		Low-Income Customers	
Single-Family Detached	Apartment	Single-Family Detached	Apartment
894,994	459,333	55,325	78,442

- 1.1 While the evidence notes a link between income and usage and a high percentage of low income ratepayers living in apartments, there are still a significant number of low income ratepayers living in single family dwellings, a dwelling type typically associated with much higher usage.
- Is Mr. Colton concerned that his proposal does not equitably treat low income ratepayers in single family dwellings versus those who live in apartments?
- 1.1.1 If no, please explain why not.
- 1.1.2 If yes, please explain why no provision is included within this proposal to address this inequity.
- 2.0 Reference: B. Establishing the Essential Services Usage Block.**

**Exhibit C2-12, Direct Testimony of Roger Colton, page 13**

*“I propose that a limited low-use Essential Services block of electricity be available to income-qualified customers. The Essential Services usage block should be available to customers confirmed as having income at or below 100% of the Pre-Tax Low-Income Cutoff (LICO-PT). I*

*recommend that BC Hydro not engage in its own income qualification for the Essential Services usage block. Instead, BC Hydro should accept the income qualifications of designated federal and provincial social assistance programs. BC Hydro need not know the precise income of the customer; instead, income qualification is a yes/no toggle. The relevant third party need only confirm that a customer is (or is not) income qualified under the LICO-PT decision-rule”*

- 2.1 Does Mr. Colton agree with the use of the LICO-PT as a sufficient measure of “low income” in Canada?
- 2.2 What, if any, other qualification benchmarks is Mr. Colton aware of that have been successfully used to trigger the availability of income-linked energy cost relief programs in other jurisdictions?
- 2.3 Is Mr. Colton familiar with the term “energy poverty”?
  - 2.3.1 If so, please put on the record his understanding of what constitutes energy poverty?
  - 2.3.2 Does Mr. Colton have in his possession or knowledge of any evidence that ratepayers with incomes just below LICO-PT suffer a disproportionate degree of energy poverty when compared to those with incomes just above LICO-PT?
  - 2.3.3 Does Mr. Colton think it is reasonable that ratepayers with incomes just below LICO-PT receive the full benefit of the proposed Essential Services block rate while those with incomes marginally above LICO-PT receive none?
- 2.4 Please confirm that the LICO-PT figure used for this proposal is a Pan-Canadian figure, i.e. not specific to British Columbia.
  - 2.4.1 Please confirm that the LICO-PT figure used for this proposal results in an income far lower than what is currently considered a living wage in British Columbia.
- 2.5 Does BCOAPO’s proposal contemplate a regular requalification requirement: i.e. periodic confirmation that the ratepayer receiving the Essential Services block of electricity continues to receive an income at or below LICO-PT?
  - 2.5.1 If not, why not?
  - 2.5.2 If so, please describe the requalification requirement proposed.

- 2.6 Does Mr. Colton’s proposal exclude persons who do not receive federal and/or provincial social assistance but who nevertheless fall under the LICO-PT limits (i.e. people colloquially referred to as “the working poor” or people receiving small pensions, annuities, trust fund proceeds, or similar income sources)?
- 2.6.1 If yes, please explain why this segment of the population is excluded from the BCOAPO Essential Services Usage proposal.
- 2.6.2 If not, please explain what BCOAPO proposes should be an appropriate confirmation of income for employed or pensioned applicants to qualify for the proposed program.

**3.0 Reference: Exhibit C2-12, Direct Testimony of Roger Colton, page 19**

*“I proposed an Essential Services usage block discount of four cents per kilowatt-hour (\$0.04/kWh). A four cent discount provides meaningful assistance to low-income customers without imposing unreasonable burdens on residential customers not taking service under the Essential Services usage block. Depending on consumption, as disaggregated based on the housing type, heating fuel and location factors I have previously discussed, the proposed discount would provide a bill reduction of between \$9 and \$16 per month on low-use, low-income bills.”*

- 3.1 Please provide a survey of the typical bill reductions provided by income-linked energy cost relief programs in other jurisdictions including those in the United States.

- 3.2 Does Mr. Colton agree that eliminating the fixed Basic Charge has the least impact on incentives to and benefits from minimizing electricity consumption?

- 3.2.1 If so, does Mr. Colton agree that this would be a positive first step in a program designed to provide rate relief?
- 3.2.2 If not, please explain.

**4.0 Reference: Part 2. Establishing a Crisis Fund**

**Exhibit C2-12, Direct Testimony of Roger Colton, page 36, Footnote 22**

*“I intentionally do not prescribe the income-eligibility for a crisis intervention fund in this testimony. Historically, crisis intervention funds have maximum income eligibility guidelines that exceed low-income DSM programs or programs such as my proposed Essential Services usage block. The precise definition of income eligibility for this crisis*

*intervention program is not essential to determine for purposes of establishing funding. Setting the income eligibility level should be done through a consultation with BC Hydro, the third party administrator, and other interested stakeholders.”*

- 4.1 Please indicate which jurisdictions were used to inform the above noted footnote, specifically, those where maximum eligibility guidelines for crisis intervention funding exceed low-income DSM programs or other income-linked energy cost relief programs.

5.0 Reference: **Part 3. Low-Income DSM and BC Hydro’s Rate Design Application**  
**Exhibit C2-12, Direct Testimony of Roger Colton, page 45**

*“In the Honorable Minister of Energy and Mines Bill Bennett’s July 6, 2015 letter to the BC Utilities Commission, the Minister specifically requested that the Commission provide information on several issues, including “within the current regulatory environment, what options are there for additional Demand Side Management programs, including low income programs?” While BC Hydro has asserted that such information needs to be provided only if and to the extent that low-income customers had significant (over 10 percent) bill impacts as a result of this proceeding (BCOAPO 1.102.1), there is no language in the Minister’s letter that imposes such a limitation.”*

- 5.1 Does Mr. Colton agree that the impacts of rate increases are regressive, i.e. that they hit low income ratepayers harder than middle or high income ratepayers facing the same rate increases?

5.1.1 If so, did that factor into Mr. Colton’s position on DSM in this proposal? How?

5.2.1 If not, why not?

6.0 Reference: **Part 4. Terms and Conditions (including Low Income Terms and Conditions)**

**A. Cost Effectiveness as the Appropriate Business Case Analysis**

**Exhibit C2-12, Direct Testimony of Roger Colton, page 64**

*“Cost-effectiveness analysis is used to evaluate options for achieving a set of defined objectives. Cost-effectiveness analysis is used to ensure the efficient use of resources in instances where benefits are difficult to monetarily value; when the information required is difficult to determine; or in any other cases where an attempt to make a precise monetary measurement of benefits would be tricky or open to considerable dispute.*

*Cost-effectiveness differs from cost-benefit analysis in that cost-benefit analysis is used only to address those types of alternatives where the outcomes can be measured in monetary terms. The purpose of cost-effectiveness analysis is to assess whether an intervention provides value for money. Cost-effectiveness analysis is used to determine which of a set of alternative activities achieves the greatest outcome for the costs expended.”*

- 6.1 Is Mr. Colton aware of any proposed of income-linked energy cost relief programs in other jurisdictions that were rejected on the basis that they would not be cost effective?