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May 30, 2016

Sarah Khan, Barrister & Solicitor
BC Public Interest Advocacy Centre
208-1090 West Pender Street
Vancouver, BC B6E 2N7

Attention: Sarah Khan

Dear Ms. Khan:

**RE: British Columbia Utilities Commission (BCUC or Commission) Project 3698781
BC Hydro 2015 Rate Design Application (2015 RDA)
Information Request No. 1 on BCOAPO *et al.* (BCOAPO) Evidence**

BC Hydro writes in compliance with Commission Order No. G-61-16 to submit its Information Request No. 1 on BCOAPO Evidence.

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

Yours sincerely,

Tom Loski
Chief Regulatory Officer

gd/ma

Enclosure (1)

Copy to: **BCUC**
Attention: Laurel Ross
commission.secretary@bcuc.com

BCUC Project No. 3698781 (2015 RDA)
Registered Intervener Distribution List

British Columbia Hydro and Power Authority

**Information Request No. 1 to
BCOAPO**

Project No. 3698781

2015 Rate Design Application

**1.0 Reference: General
Exhibit C2-12**

“After receiving my undergraduate degree in 1975 (Iowa State University), I obtained further training in both law and economics. I received my law degree in 1981 (University of Florida).” (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 7/341, lines 17 to18).

- 1.1 Please advise whether Mr. Colton is qualified to practice law in any Canadian jurisdiction and, if so, please state which jurisdiction(s).
- 1.2 Please advise whether Mr. Colton claims any special expertise in BC law regarding public utility regulation or privacy?

**2.0 Reference: Essential Services Usage Block Rate
Exhibit C2-12**

As can be seen in the data presented in Schedule RDC-1, with the exception of low income customers living in single-family detached housing, low-income customers consistently have consumption between the third and fourth deciles of residential consumption. Low-income apartment dwellers have consumption between the 10th and 20th percentiles. This is significant given the large proportion of low-income customers who live in apartments. As the Company reports, while there are 78,442 low-income apartment dwellers (BCOAPO 1.69.4(a)), there are only 55,325 low-income households living in single-family detached housing units. (BCOAPO 1.69.4(b)). This low-income penetration of apartments differs sharply from the residential population as a whole. Within the residential population, there are 894,994 single-family detached home customers (BCOAPO 1.69.4(b)) compared to only 459,333 apartment customers. (BCOAPO 1.69.4(a)). (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 11/341, lines 16 to PDF page 12/341, line 4).

- 2.1 Please compare:
 - the median consumption of all residential customers with all low income residential customers;
 - the median consumption of all residential apartment dwellers with low income residential apartment dwellers; and
 - the median consumption of all single-family dwelling customers with low-income single family dwelling customers.
-

**3.0 Reference: Essential Services Usage Block Rate
Exhibit C2-12**

“Other available information supports the conclusion that low-income customers would have a more difficult time responding to the proposed and future increases. The Company concedes, for example, that households with air conditioning tend to be more responsive to price than households without air conditioning. (BCOAPO 1.83). Low income, low-use customers tend to be customers that lack air conditioning.” (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 12/341, line 19 to PDF page 13/341, line 1).

- 3.1 Does Mr. Colton have any basis to believe that low-income low-use residential customers are necessarily less price responsive than all low use residential customers?
- 3.2 Does Mr. Colton accept that all else being equal a residential customer without air conditioning load is more likely to be a low use customer than a residential customer with air conditioning load?
- 3.3 What does Mr. Colton know about the penetration of residential air conditioning load in BC Hydro’s service area?

**4.0 Reference: Essential Services Usage Block Rate
Exhibit C2-12**

“Since BC Hydro calculates annual load factor as total annual energy (numerator) divided by the product of annual peak demand (denominator) and annual hours (denominator) (BCOAPO 1.54.0), the lower load factor of higher usage residential customers (and, correspondingly, the higher load factor of low-use residential customers) is evident.” (see also, BCOAPO 1.49.1.)” (Exhibit C2 12, Direct Testimony of Roger Colton, PDF page 14/341, lines 4 to 8).

- 4.1 Please confirm that BC Hydro’s response to BCOAPO IR 1.49.1 shows that residential load factor is positively correlated with consumption.
- 4.2 In Mr. Colton’s experience, does the manner in which BC Hydro calculates load factor differ materially from industry norms?

**5.0 Reference: Essential Services Usage Block Rate
Exhibit C2-12**

“Despite these relatively lower costs that low-income customers impose on the system as low use customers, low use customers do not have the reduced costs reflected in their rates. Instead, quite to the contrary, low-income, low use rates are increased while denying those low-income, low use customers the ability to avoid the rate increase through mechanisms commonly available to residential customers as a whole.” (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 14/341, lines 13 to 19).

- 5.1 On what cost-of-service basis does Mr. Colton advocate for an Essential Services Usage Block (**ESUB**) rate for all qualifying low-income customers regardless of usage, and not for all low usage customers regardless of income?

- 5.2 What in Mr. Colton's opinion is the maximum monthly usage that is associated with a lower cost of service?

**6.0 Reference: Essential Services Usage Block Rate
Exhibit C2-12**

"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." (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 18/341, lines 15 to 20).

In his direct testimony, Mr. Colton proposes a three-stage expansion of the number of third-parties designated to confirm income qualification for the ESUB rate (Exhibit C2-12, Direct Testimony of Roger Colton, PDF pages 28/341 to 31/341).

In his direct testimony, Mr. Seth Klein suggests a number of ways to measure poverty, in addition to the LICO-PT referred to by Mr. Colton. (Exhibit C2-12, Direct Testimony of Set Klein, PDF pages 262/341 to 266/341).

- 6.1 Please confirm that under the proposed third-party income qualification process for the proposed ESUB rate, the designated third parties would be responsible for initiating the request to BC Hydro for access to the ESUB rate on behalf of eligible individual low-income customers.
- 6.2 Please confirm that the proposed ESUB rate would be available only to those individuals who are BC Hydro account holders.
- 6.3 Please confirm that arrangements between BC Hydro and designated third parties would need to account for the specific institutional capabilities and/or limitations of the individual third parties.
- 6.4 Please confirm that third parties charged with the responsibility of initiating the request to BC Hydro for access to the ESUB rate on behalf of eligible individual low-income customers are in most if not all cases likely to expect to take part only if they can recoup at least their incremental costs?
- 6.5 Please confirm that arrangements between BC Hydro and designated third parties would, regardless of the answer BC Hydro IR 6.3 to the BCOAPO, need to reflect the specific terms and conditions of any ESUB rate approved by the Commission.
- 6.6 Does the BCOAPO, or Mr. Colton, believe that once a customer is qualified for the proposed ESUB rate that he or she should remain qualified indefinitely?

**7.0 Reference: Essential Services Usage Block Rate
Exhibit C2-12**

Q HAS BC HYDRO EVER DETERMINED WHAT LEVEL OF USAGE IS NEEDED TO PROVIDE ESSENTIAL RESIDENTIAL SERVICE?

“A. No. BC Hydro states that it “is not aware of a commonly-accepted definition of what constitutes essential needs in a non-electric space heating household.” (BCOAPO 1.76.1, internal quotation marks omitted). The Company does not have an opinion about, or any information on, what usage amounts or end uses would exceed essential needs. (BCOAPO 1.77.1). Nor does the Company have an opinion about, or any information on, whether the level of essential needs varies by income. (BCOAPO 1.78.1).” (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 19/341, lines 13 to 18).

- 7.1 Please confirm that BC Hydro is not, in the 2015 RDA or otherwise, proposing a low income rate generally or an Essential Services Usage Block rate as proposed by Mr. Colton specifically.
- 7.2 Please confirm that the BCOAPO will in this proceeding request the Commission to approve an Essential Services Usage Block rate as proposed by Mr. Colton.
- 7.3 Please confirm that Mr. Colson holds himself out as an expert in low income utility issues, including rate and customer service issues, low income usage issues, payment patterns and affordability programs.
- 7.4 Please confirm that Mr. Klein holds himself out as an expert in fiscal policy, taxation, welfare policy, poverty, inequality and economic security.

**8.0 Reference: Essential Services Usage Block Rate
Exhibit C2-12**

“Instead, a decision rule set at the 80th percentile, according to BC Hydro, is a more appropriate decision rule. (BCOAPO 2.340.1).” (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 20/341, line 22 to PDF page 21/341, line 1).

- 8.1 Please confirm that the BC Hydro response referenced in this question (BCOAPO IR 2.340.1) is in regard to a BC Hydro proposal to set a default duration that it would hold security deposits for residential customers who reside in apartments.
- 8.2 Please advise on any instance in which BC Hydro refers to an “80th percentile decision rule”.
- 8.3 Please explain the relationship, if any, between the default duration that BC Hydro would hold security deposits for residential customers who reside in apartments, and the kWh block size of the proposed Essential Services Usage Block rate.

9.0 Reference: Essential Services Usage Block Rate
Exhibit C2-12

"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." (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 24/341, lines 1 to 7).

"Someone in the community eventually paid his outstanding bill so he could get reconnected. His EPP is now \$200/month, which is deducted directly from his disability benefits – from a total monthly income of \$906, that is a lot.... Another recent case involved a woman who has been living in the same apartment building for more than 10 years – it is an older building, but not run down. She is on disability assistance. She is on an EPP, and her monthly payment was almost \$120 (paid directly by the Ministry out of her disability benefits...)..." (Exhibit C2-12, Direct Testimony of Patty Edwards, PDF page 303/341)

"In my experience, clients have difficulties dealing with BC Hydro payment and billing issues on their own. Most of our clients are living far below Statistics Canada's Low Income Cut Off. Most of our clients have long histories of dealing with systems and institutions, have lower education and literacy levels, including life skills literacy, which is why they are involved in our programs. Some of our clients do not open bills they receive, including bills from BC Hydro, or do not recognize the consequences of their bills. They often do not know how to read a BC Hydro bill, or understand how Equal Payment Plans work. Some of our clients feel that there's nothing they can do about the bills they receive." (Exhibit C2-12, Direct Testimony of Emma Gauvin, PDF page 309/341).

"This creates problems because low income people move in because the rent is cheaper, and they don't realize until they move in that electricity costs can be \$300 per month. Often times, this ends up being low income single parent families – they cannot afford to pay this much for electricity." (Exhibit C2-12, Direct Testimony of Audrey Schwartz, PDF page 325/341).

"We tend to hear from people when they have been disconnected or are facing disconnection. We also hear from people who have received large BC Hydro bills that they cannot pay—for example, people who are facing a large and unexpected bill following an Equal Payment Plan true-up." (Exhibit C2-12, Direct Testimony of Keith Simmonds, PDF page 328/341).

"We tend to see people who have been disconnected, or are on the verge of disconnection. If someone is heating their house with electricity in the winter in a northern community, the bills can be enormous. It is much darker and colder here in the winter than in other parts of the province, and people use light and heat a lot more." (Exhibit C2-12, Direct Testimony of Stacey Tyers, PDF page 333/341).

“We assist people with BC Hydro issues on an as-needed basis—by the time people come into our office, it is usually a crisis/urgent matter. We frequently see clients who have received a disconnection notice, or those who are falling behind on payments and do not have the means to pay outstanding amounts. People also come to us when they are at risk of being cut off and they have been unable to negotiate a workable repayment plan with BC Hydro.” (Exhibit C2-12, Direct Testimony of Stephen Portman, PDF page 338/341).

- 9.1 Please confirm that the proposed Essential Services Usage Block would yield a monthly discount of no more than \$16 per month regardless of monthly consumption, housing type, heating fuel or location (i.e., $\$0.04/\text{kWh} \times 400 \text{ kWh} = \16).
- 9.2 Please confirm that the proposed Essential Services Usage Block would yield a monthly discount of no more than \$16 per month regardless of the number of occupants residing in the premise of the account holder (i.e., $\$0.04/\text{kWh} \times 400 \text{ kWh} = \16).
- 9.3 Please confirm that the proposed Essential Services Usage Block would yield a monthly discount of up to \$16 per month regardless of whether the residential rate structure was the current Residential Inclining Block rate or some alternate rate structure (i.e., $\$0.04/\text{kWh} \times 400 \text{ kWh} = \16).
- 9.4 Please confirm that under the proposed Essential Services Usage Block a participating low income customer would need to be qualified as meeting the proposed Pre-Tax Low-Income Cutoff as determined by some entity, whether it is BC Hydro or a third party as proposed by Mr. Colton.
- 9.5 Please confirm that under the Residential Inclining Block rate low use customers pay a lower average energy rate than higher use customers with no qualification process.

**10.0 Reference: Essential Services Usage Block Rate
Exhibit C2-12**

“According to the Company, a typical low-income townhouse resident (electric heating) would experience a bill increase of \$247 over a three-year period with a “fictional” rate increase of 10% a year. A typical low-income resident in a single-family detached home (electric heating) would experience a bill increase of nearly \$500. (BCOAPO IR 1.208.1, Attachment 1, at page 34 of 46). The Essential Services usage block, in other words, will mitigate, but not completely protect, low-income customers against rate increases for the next three years.” (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 24/341, lines 14 to 20).

- 10.1 Please confirm that the proposed ESUB rate would yield cumulative bill savings of as much as \$576 over three years ($\$0.04/\text{kWh} \times 400 \text{ kWh/month} \times 12 \text{ months/year} \times 3 \text{ years}$).
- 10.2 Please confirm that BC Hydro’s rate increases in the three-year period F2017 to and including F2019 are limited in law to 4.0 per cent, 3.5 per cent and 3.0 per cent.

**11.0 Reference: Essential Services Usage Block Rate
Exhibit C2-12**

In his direct testimony Mr. Colton discusses how the foregone revenue arising from the proposed Essential Services Usage Block rate could be recovered from residential customers (Exhibit C2-12, PDF page 29/341, line 15 to PDF page 31/341, line 8). It is unclear whether Mr. Colton proposes recovering the foregone revenue from all residential customers, or from RIB Step 2 consumption.

- 11.1 Please confirm which recovery mechanism Mr. Colton is proposing and how it would be implemented.

**12.0 Reference: Essential Services Usage Block Rate
Exhibit C2-12**

“My experience is that administration becomes routine. Further, my experience is that administrative problems often expected simply do not occur. For example, I was involved with the creation of the Ontario Electricity Support Program (OESP). Particularly given the large number of distribution utilities, some stakeholders had expressed concerns about the program’s administration. At a March 2016 Low-Income Energy Network conference in Toronto, however, the Staff of the Ontario Energy Board (OEB) reported that, while not without some minor hitches, the roll-out of the OESP occurred largely without problems. I have attached the OEB presentation to my testimony as Appendix C.” (Exhibit C2-12, Direct Testimony of Roger Colton, PDF pages 39/341, lines 14 to 22).

- 12.1 Please confirm that the Ontario Electricity Support Program results in monthly bill credits that range from \$30 to \$75 per month, depending on household size, medical qualifications, primary heat source and First Nation status (Exhibit C2-12, Direct Testimony of Roger Colton, Appendix C, PDF pages 217/341 to 218/341).
- 12.2 Please confirm that the Ontario Electricity Support Program began January 2016.
- 12.3 When did efforts to develop the Ontario Electricity Support Program begin?
- 12.4 What were the total non-recurring set-up costs of the Ontario Electricity Support Program since efforts began to develop the program?
- 12.5 What are the total recurring annual costs of the Ontario Electricity Support Program (please show the components of total annual recurring costs, including program administration costs and sum of the monthly bill credits).
- 12.6 Will the Ontario Electricity Support Program expand the income qualification process in a manner similar to or analogous to what Mr. Colton proposes for BC Hydro at Exhibit C2-12, Direct Testimony of Roger Colton, PDF pages 28/341 to 31/341? If “yes”, please include the incremental costs of the expansion in the response to BC Hydro IRs 12.4 and 12.5 to the BCOAPO.

**13.0 Reference: Crisis Intervention Fund
Exhibit C2-12**

“A crisis intervention program would involve providing funds when a low-income customer faces a situation that threatens the continuing ability of that customer to take electric service.” (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 41/341, lines 17 to 19).

- 13.1 Is the BCOAPO seeking an order from the Commission in this proceeding requiring BC Hydro to establish the proposed “crisis intervention fund”?
- 13.2 If yes, please comment on the Commission’s jurisdiction to order BC Hydro to establish such a fund.

**14.0 Reference: Crisis Intervention Fund
Exhibit C2-12**

“A crisis intervention program would involve providing funds when a low-income customer faces a situation that threatens the continuing ability of that customer to take electric service.” (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 41/341, lines 17 to 19).

- 14.1 How many agencies and organizations in British Columbia, including MSDSI, currently provide funds for low income customers in situations that threaten the ability of such customers to take electric service?

**15.0 Reference: Crisis Intervention Fund
Exhibit C2-12**

“The crisis intervention fund should be administered through an independent third-party.” (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 42/341, line 9).

- 15.1 In Mr. Colton’s experience, how much can independent third parties can be expected to charge for the administration of a crisis intervention fund of the magnitude proposed (\$5.4 million per year)?
- 15.2 In Mr. Colton’s experience, what per cent of low income customers can be expected to access the crisis intervention fund in a year?
- 15.3 Is there any empirical evidence that Mr. Colton is aware of that shows that crisis intervention funds as proposed serve to reduce bad debt?

**16.0 Reference: Crisis Intervention Fund
Exhibit C2-12**

“I recommend that the third party administrator, through a collaborative process involving the Company and other stakeholders, establish a set of program design guidelines.” (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 49/341, lines 9 to 11).

BC Hydro is interested in the roles of the Commission in establishing and maintaining the guidelines referred to.

- 16.1 Would the guidelines be subject to Commission orders initially approving them, and amending them from time to time?
- 16.1.1 If yes, please comment on the Commission's jurisdiction to approve and amend such guidelines.
- 16.2 Would complaints regarding the application of the guidelines by the third party administrator be resolved by the Commission?
- 16.2.1 If yes, please comment on the Commission's jurisdiction to adjudicate such complaints.

**17.0 Reference: DSM
Exhibit C2-12**

"I recommend that in this proceeding, the Commission direct BC Hydro to make certain minimum DSM service level guarantees for low-income customers. The level of DSM funding to be devoted to low-income should be sufficient to reach 50% of the below 130% of LICO-PT low-income population through ECAP, both heating and non-heating, within 15 years." (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 66/341, lines 7 to 11)

"BC Hydro does not have similar housing data for the population with income below-LICO +30% to allow me to make similar estimates for LICO-130 customers by housing type and heating fuel. (BCOAPO 2.261.1)." (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 66/341, lines 17 to 20)

"Based on the Company's representations that it believes it more appropriate to leave the actual design of low-income DSM programs to its forthcoming DSM proceeding, and given the inextricable link between program design and program budget, I propose to defer actual program design and budgeting to that proceeding." (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 67/341, lines 3 to 6).

- 17.1 Please confirm that the BCOAPO is seeking an order from the Commission in this proceeding requiring BC Hydro to incur sufficient annual expenditures on its Energy Conservation Assistance Program (ECAP) to ensure that 50 per cent of its residential customers with household income less than 130 per cent of the Low-Income Cutoff have received ECAP benefits from BC Hydro within 15 years of the requested Commission order (the Requested DSM Order).
- 17.2 Please confirm that the BCOAPO seeks the Requested DSM Order despite not knowing or offering any evidence regarding:
- the target number of low-income residential customers (whether measured at inception or after the 15 years);
 - how much it would cost to comply with the requested order;
 - what specific demand side management measures would be included in the ECAP from time to time over the 15 years;
 - BC Hydro's energy (conservation) needs over the proposed 15 year timeframe;
 - BC Hydro's revenue requirements over the proposed 15 year timeframe;

- Whether it would be cost-effective; and
- Whether there would be sufficient participation levels to sustain the Requested DSM Order.

17.3 Please comment on the Commission's jurisdiction to issue the Requested DSM Order.

**18.0 Reference: DSM
Exhibit C2-12**

"I recommend that in this proceeding, the Commission direct BC Hydro to make certain minimum DSM service level guarantees for low-income customers. The level of DSM funding to be devoted to low-income should be sufficient to reach 50% of the below 130% of LICO-PT low-income population through ECAP, both heating and non-heating, within 15 years." (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 66/341, lines 7-11).

"A decision on what low-income measures would appropriately be offered through the ECAP is most appropriately decided in the upcoming BC Hydro DSM proceeding." (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 66/341, footnote 36).

"Based on the Company's representations that it believes it more appropriate to leave the actual design of low-income DSM programs to its forthcoming DSM proceeding, and given the inextricable link between program design and program budget, I propose to defer actual program design and budgeting to that proceeding." (Exhibit C2-12, Direct Testimony of Roger Colton, pdf page 67/341, lines 3 to 6).

18.1 Please explain why it is appropriate for the Commission to issue the Requested DSM Order (as defined in BC Hydro IR 17.1 to the BCOAPO) in this proceeding and not "the upcoming BC Hydro DSM proceeding"?

18.2 Please explain why it is appropriate for the Commission to issue orders regarding program design and budgets, in the "upcoming BC Hydro DSM proceeding" but not the Requested DSM Order (as defined in BC Hydro IR 17.1 to the BCOAPO).

**19.0 Reference: BCOAPO's Proposed T&Cs
Exhibit C2-12**

"Overall, a utility such as BC Hydro can be expected not only to collect more money through the Terms and Conditions discussed below, but to spend less money in the process of collection in so doing." (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 73/341, lines 12 to 14, emphasis added).

19.1 Please confirm that "Terms and Conditions discussed below" refer to:

- proposed cold weather shutoff protections;
- proposed shutoff protections for the very young, seniors and people with medical disabilities;
- proposed modifications to BC Hydro's offers of deferred payment plans;

- proposed modifications to BC Hydro's late payment charge provisions;
- proposed exemptions for low income customers from "minimum reconnection charges" and "account charges"; and
- proposed modifications to BC Hydro's securement of security deposits (collectively referred to by BC Hydro as "BCOAPO's Proposed T&Cs").

19.2 Please provide the quantitative evidence for each of BCOAPO's Proposed T&Cs that supports the assertion that the BCOAPO's Proposed T&Cs, if adopted, will result in BC Hydro earning more revenue and incurring less expense.

**20.0 Reference: BCOAPO's Proposed T&Cs (Cost Effectiveness)
Exhibit C2-12**

"Cost-effectiveness analysis is used to evaluate options for achieving a set of defined objectives." (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 69/341, lines 6 to 7).

"First, a cost-benefit analysis does not specify the public policy decision that has been made that utility service should be preserved where feasible." (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 70/341, lines 12 to 13).

20.1 Is the "defined set of objectives" that Mr. Colton refers to the preservation of "utility service where feasible"?

20.1.1 If not, please state the defined set of objectives that Mr. Colton would have the Commission consider using a cost-effectiveness analysis.

20.2 Regardless of the answer to BC Hydro IRs 20.1 and 20.1.1 to the BCOAPO, what if any is the statutory basis for that defined set of objectives?

**21.0 Reference: BCOAPO's Proposed T&Cs (Shutoff Protections for Young, Seniors, Disabled)
Exhibit C2-12**

"Compared to the total population, more than twice as many households experiencing a home energy emergency reported at least one of these self-efficacy conditions that impede the ability of the household to advocate on one's own behalf. More than half of households experiencing an energy emergency reported such conditions. Of particular importance was the prevalence of feeling "worthless" or "hopeless...From the perspective of someone who has designed, implemented and evaluated both utility collection techniques and home energy assistance programs, I found that a household feeling "worthless" or "hopeless" cannot reasonably be expected to negotiate on their own behalf, particularly when faced with an energy emergency situation." (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 85/341, lines 13 to 23).

"I recommend that BC Hydro adopt shutoff protections for the very young, for seniors and for households facing medical emergencies that mirror the model medical emergency regulation I authored for state utility regulators in the United States. 43 Pursuant to the processes set forth in that model regulation, BC Hydro would not disconnect service, or refuse to restore service, to premises when a qualified medical professional has certified that the customer or an applicant seeking restoration of service (or a member permanently residing in the customer's or applicant's household) is seriously ill or facing a medical emergency or disability that will be aggravated by cessation or denial of service, or will become seriously ill or have a medical emergency because of the cessation or denial of service, and that the denial of utility service would adversely affect the health of that customer or resident of the household. Nor would such disconnections occur for seniors or for households with young children." (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 86/341, lines 11 to 22).

21.1 Please explain how BC Hydro would identify residential customers who lack self-efficacy (regardless of whether they are young, seniors or have medical disabilities).

21.2 Please explain how likely it is that residential customers who lack self-efficacy will contact BC Hydro in the event of a medical emergency, or otherwise in regard to their service.

**22.0 Reference: BCOAPO's Proposed T&Cs (Late Payment Charge)
Exhibit C2-12**

"Any effort by BC Hydro to justify its proposed late payment charge as a mechanism through which to be compensated for the carrying costs of money faces an immediate fundamental flaw. To set an arbitrary date on which the Company will begin to impose a monthly Late Payment Charge has no rational basis. The carrying costs of money do not begin on the day after a residential bill is due. A customer that pays one day "late" does not impose significantly higher carrying costs on BC Hydro than a customer that pays one day "early." (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 95/341, lines 14 to 20).

22.1 Please confirm that BC Hydro issues bills to residential customers in regard to electricity services provided in periods of time prior to the date the bills are issued. Alternatively, please confirm that BC Hydro does not bill for residential electricity services in advance of the provision of service.

**23.0 Reference: BCOAPO's Proposed T&Cs (Minimum Reconnection and Account Charges)
Exhibit C2-12**

"When BC Hydro imposes a miscellaneous service charge such as the account charge or reconnection charge, rather than collecting funds from a cost-causer, as is the justification for most charges, the utility simply makes it less likely that it will receive payment of either the extra charge or the bill for current service

associated with that charge. The low-income household ends up without service while the utility ends up without revenue.” (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 106/341, lines 18 to 23).

23.1 Please confirm the BCOAPO’s understanding that BC Hydro imposes account charges and minimum reconnection charges only after the service in respect of which the charge is imposed has been provided, and the cost to be recovered by the charge has been incurred.

23.2 Please confirm that the imposition of account charges and minimum reconnection charges will result in positive cost-benefit ratio provided the incremental revenues arising from the imposition of the charges exceeds the incremental cost of issuing the charges.

**24.0 Reference: BCOAPO’s Proposed T&Cs (Security Deposits)
Exhibit C2-12**

“I recommend that the Company’s proposal to assess all new residential customers a cash security deposit be denied”. (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 115/341, lines 1 to 2).

24.1 Please provide the basis of Mr. Colton’s assertion that BC Hydro is proposing to assess all new residential customers a security deposit.

**25.0 Reference: BCOAPO’s Proposed T&Cs (Security Deposits)
Exhibit C2-12**

“The Company should be prohibited from imposing a cash security deposit on an applicant for service based on a credit rating from an external credit agency unless that credit rating is based exclusively on the prior utility bill payment history of the new applicant.” (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 115/341, lines 11 to 14).

25.1 How would a would-be customer with no credit rating from another utility but otherwise with a good credit rating avoid a security deposit under Mr. Colton’s proposal?

**26.0 Reference: BCOAPO’s Proposed T&Cs (Security Deposits)
Exhibit C2-12**

“Aside from the business aspects of the issue, to forbid the use of non-utility credit experience is consistent with long-standing utility regulatory principles proscribing the denial of service for “collateral” matters. It matters not to other ratepayers whether a household fails to pay its Hudson’s Bay bill, for example, if that household will pay its utility bill.” (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 117/341, lines 4 to 8).

26.1 Please provide supporting materials for the referenced “long-standing utility regulatory principles”.

**27.0 Reference: BCOAPO's Proposed T&Cs (Security Deposits)
Exhibit C2-12**

"In the event that a household may not be able to afford a deposit, BC Hydro should offer that household an equal monthly payment plan as a deposit alternative. By reducing the risk of nonpayment, the deposit could be cost-effectively avoided or waived." (Exhibit C2-12, Direct Testimony of Roger Colton, PDF page 1227/341, lines 5 to 7)

27.1 How does an equal payment plan secure against the possibility of a customer not paying its bills?

**28.0 Reference: BCOAPO's Proposed Customer Assistance Unit
Exhibit C2-12**

"In this section of my testimony, I discuss the need for, and operation of, the skills-based low-income customer assistance unit that I recommend." (Exhibit C2 12, Direct Testimony of Roger Colton, PDF page 127/341, lines 20 to 21).

28.1 Is the BCOAPO seeking an order from the Commission in this proceeding requiring BC Hydro to establish the proposed "low income customer assistance unit"?

28.2 If yes, please comment on the Commission's jurisdiction to order BC Hydro to establish such a business unit.

**29.0 Reference: BCOAPO's Proposed Low Income Advisory Group
Exhibit C2-12**

"In this section of my testimony, I propose that BC Hydro create a standing Low-Income Advisory Group."

29.1 Is the BCOAPO seeking an order from the Commission in this proceeding requiring BC Hydro to establish the proposed "low income advisory group"?

29.2 If yes, please comment on the Commission's jurisdiction to order BC Hydro to establish such a group.