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August 15, 2016

Ms. Laurel Ross
Acting Commission Secretary
British Columbia Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Ross:

**RE: Project No. 3698781
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
2015 Rate Design Application (2015 RDA)
Revised Responses**

BC Hydro writes in regard to the 2015 RDA to provide revised responses to the Information Requests (**IRs**) listed below. In preparation for the upcoming oral hearing, we determined that an interpretation of the billing system logic led to an incorrect description of compounding the Late Payment Charge. We have corrected the related responses and have provided an example in the response to BCOAPO IR 1.202.1 to demonstrate the impact between our original interpretation and our corrected response. BC Hydro notes that this error does not impact any of its analysis regarding the Late Payment Charge.

Round 1 (Exhibit B-5) – Revised Response

BCOAPO IR 1.202.1

Round 2 (Exhibit B-23) – Revised Responses

BCOAPO IR 2.342.1

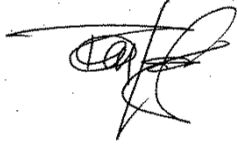
BCOAPO IR 2.342.1.1

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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

jc/ma

Enclosure (1)

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

British Columbia Old Age Pensioners' Organization Information Request No. 1.202.1 Dated: November 17, 2015 British Columbia Hydro & Power Authority REVISED Response issued August 15, 2016	Page 1 of 2
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202.0 CHAPTER 8 ELECTRIC TARIFF TERMS AND CONDITIONS

Reference: Exhibit B-1, Section 8.6
Low-income terms and conditions

1.202.1 Please indicate whether residential late payment charges are compounded. In other words, please indicate whether residential late fees are imposed on unpaid late fees.

ORIGINAL RESPONSE:

Yes, in general, Late Payment Charges are compounded. However, the method of calculation in the billing system means this is not always the case because:

- The Late Payment Charge is calculated separately for (1) the outstanding balance of electricity and standard charges, and (2) outstanding Late Payment Charges that are applied; and
- The \$30 threshold for application of the Late Payment Charge also applies separately for each of these calculations.

This means that, in practice, Late Payment Charges are not compounded unless the customer has an outstanding balance of at least \$2000 (i.e., \$30/1.5 per cent).

REVISED RESPONSE:

In its initial response, BC Hydro indicated that the Late Payment Charge compounds only if the cumulative unpaid Late Payment Charge is at least \$30. This was based on an incorrect interpretation of the billing system logic. Upon further review of the detailed calculation, BC Hydro has now identified that the Late Payment Charge is calculated on the total overdue balance, including the Late Payment Charge amount(s), at the time it is applied. As a result, if the outstanding balance at that time includes an unpaid Late Payment Charge then, yes, the Late Payment Charge is compounded.

For clarity, BC Hydro notes that the Late Payment Charge is first applied nine days after payment is required, if the outstanding balance is \$30 or more. As in most cases payment is required 21 days after the bill is issued, for most customers the Late Payment Charge applies 30 days after billing. If the account remains overdue by at least \$30, a subsequent Late Payment Charge is applied 30 days later (i.e., 60 days after billing). As it is not applied daily, a customer would only be subject to the initial Late Payment Charge provided they pay by day 59.

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For example, if a customer has a \$100 outstanding balance, a Late Payment Charge of $\$100 \times 0.015 = \1.50 would be charged 30 days after billing. If the cumulative balance of \$101.50 remains unpaid 60 days after billing then a subsequent Late Payment Charge of $\$101.50 \times 0.015 = \1.52 would be applied.

The example below illustrates the difference between BC Hydro's original and updated responses:

	Original Response	Updated Response	Difference
Outstanding Balance (\$)	100.00	100.00	-
Late Payment Charge at Day 30 (\$)	1.50	1.50	-
Late Payment Charge at Day 60 (\$)	1.50	1.52	0.02