



**Tom A. Loski**  
Chief Regulatory Officer  
Phone: 604-623-4046  
Fax: 604-623-4407  
[bchydroregulatorygroup@bchydro.com](mailto:bchydroregulatorygroup@bchydro.com)

August 19, 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)  
Undertakings**

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BC Hydro writes in regard to the 2015 RDA to provide as Exhibit B-52 the outstanding Undertaking Nos. 5, 6, 14, 17, 18, 19, 20, 21, 22, 23, 24 and 25.

For further information, please contact Gordon Doyle at 604-623-3815 or by email at [bchydroregulatorygroup@bchydro.com](mailto:bchydroregulatorygroup@bchydro.com).

Yours sincerely,

Tom Loski  
Chief Regulatory Officer

ac/ma

Enclosure (1)

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

# BC Hydro 2015 Rate Design Application

## BC HYDRO UNDERTAKING NO. 5

**HEARING DATE:** August 16, 2016

**REQUESTOR:** BCOAPO

**TRANSCRIPT REFERENCE:** Volume 3, page 498, lines 4 - 5, 12 - 16

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### **QUESTION:**

Have BC Hydro contractors completed ESK and ECAP installs in all non-profit housing units in BC?

Please provide a general percentage of which non-profit housing units that have yet to receive fully-installed ESKs.

### **RESPONSE:**

BC Hydro contractors have not completed ESK and ECAP installs in all non-profit housing units.

BC Hydro does not have its own information regarding the total number of non-profit housing units in B.C. but according to a Government of B.C.'s website there are over 41,000 provincially funded independent social housing units for low income seniors and families.

Based on an approximate 15,000 non-profit housing units receiving an ESK or ECAP installation, about 63 per cent of the non-profit units have yet to receive an ESK or ECAP installation.

BC Hydro continues to work with BC Non-Profit Housing Association and their BC Hydro-funded Energy Manager to continue to recruit housing providers to these program offers.

# BC Hydro 2015 Rate Design Application

## BC HYDRO UNDERTAKING NO. 6

**HEARING DATE:** August 16, 2016

**REQUESTOR:** BCOAPO

**TRANSCRIPT REFERENCE:** Volume 3, page 498, line 22 to page 499 line 16

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### **QUESTION:**

In Exhibit B-5 BC Hydro's response to BCOAPO IR 1.109.11 (page 936 of the PDF), it states that the F2016 ECAP target is 1500 basic units and 50 advanced units. What is BC Hydro's estimate of the total number of units eligible in BC Hydro's service area for ECAP?

### **RESPONSE:**

A rough estimate of the units eligible for ECAP is 250,000 units. This is based on an extrapolation of the 2014 Residential End Use Survey to BC Hydro population, considering ECAP eligible housing types and the income threshold of LICO x 1.3.

BC Hydro sets its targets for the ECAP program based on an expectation of how many customers will participate. However, BC Hydro does not manage this target as a limit and no eligible customers have been denied access to the ECAP program. As evidence of this, BC Hydro had 1,622 participants in the ECAP basic program in F2016, which exceeded its target level of 1,500 and had 40 advanced participants compared to a target of 50.

# BC Hydro 2015 Rate Design Application

## BC HYDRO UNDERTAKING NO. 14

**HEARING DATE:** August 17, 2016

**REQUESTOR:** CEABC

**TRANSCRIPT REFERENCE:** Volume 4, page 632, lines 1 - 13

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**QUESTION:**

Of the future supply resources from IPP renewals in Table 3-8 Exhibit B-37, what is the proportion that would be from run of the river projects, and from forest product company generation?

**RESPONSE:**

Of the 1,628 GWh shown for Future Supply-Side Resources – IPP Renewals in F2025 in Table 3-8 of Exhibit B-37, 35 per cent is expected to come from run-of-river hydro, and 53 per cent is expected to come from biomass (includes projects integrated with forest product company operations as well as standalone biomass projects). The balance is made up of others (e.g., storage hydro and thermal).

# BC Hydro 2015 Rate Design Application

## BC HYDRO UNDERTAKING NO. 17

**HEARING DATE:** August 17, 2016

**REQUESTOR:** Commissioner Counsel

**TRANSCRIPT REFERENCE:** Volume 4, page 664, lines 25 – 26, page 665, lines 1 - 26  
and page 666, lines 1 - 22

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**QUESTION:**

How much revenue has been earned through the sales of non-firm energy over the last two years? Also, how much energy of non-firm energy was sold over the last two years?

**RESPONSE:**

The following table shows the total revenue and energy sales based on BC Hydro's non-firm rates for the last two fiscal years.

<b>Non-Firm</b>	<b>F2015</b>	<b>F2016</b>
Revenue (\$)	40,272,109	15,480,832
Energy Sales (kWh)	875,581,313	346,507,603

## BC Hydro 2015 Rate Design Application

### BC HYDRO UNDERTAKING NO. 18

**HEARING DATE:** August 17, 2016

**REQUESTOR:** BCOAPO

**TRANSCRIPT REFERENCE:** Volume 4, page 722, lines 16 - 26 to page 723, lines 1 - 25

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**QUESTION:**

BC Hydro's response to BCUC IR 1.42.2 Exhibit B-5 stated "forecast F2016 Residential basic charge revenue of \$119.3 million". BCOAPO produced: 1,766,045 accounts (stated in cost of service Schedule 5.2, Appendix E) x \$0.1764/day (F2016 Basic Charge) x 366 days = \$114 million. Please reconcile the \$119.3 million to the \$114 million.

**RESPONSE:**

Exhibit B-1, page 5 of Appendix H-1, reported F2016 Basic Charge revenue is \$113,593,194. It is noted there that this is based on 1,764,253 accounts and a rate of .1764 \$/day (and is the result of multiplying through by 365 days). The \$119.3 million is derived by multiplying \$113,593,194 by the 5 per cent rate rider ( $\$113,593,194 \times 1.05 = \$119,272,853$  or \$119.3 million).

BC Hydro acknowledges that the rate rider should have been excluded from this calculation.

If the rate-rider is excluded from the calculation, the revised Residential customer-related cost recovery ratio is 42 per cent (\$113.6 million of revenue divided by \$273.4 million of costs), which is a 2 per cent difference from the 44 per cent calculated in BC Hydro's response to BCUC IR 1.42.2 (\$119.3 million of revenue plus rate rider, divided by \$273.4 million of costs).

BC Hydro's view is that this small difference does not have material impact on the proposed SGS rate proposal, and is within the normal level of uncertainty in the assumptions that are used.

BC Hydro notes that all other calculations of cost recovery ratios in this application exclude the use of rate rider in computing revenue. This includes the calculations in the recovery of LGS demand related costs, MGS demand related costs, and SGS customer-related costs.

# BC Hydro 2015 Rate Design Application

## BC HYDRO UNDERTAKING NO. 19

**HEARING DATE:** August 17, 2016

**REQUESTOR:** BCOAPO

**TRANSCRIPT REFERENCE:** Volume 4, page 759, lines 17 - 26 to page 760, lines 1 - 6

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### **QUESTION:**

The Cost of Service methodology as set out in the NSP agreement will change demand related costs attributable to Transmission customers - 55% Demand and 45% Energy as opposed to vice versa. Can you provide the revised percent of demand related costs recovered through demand charges based on demand costs using the NSP methodology for the transmission service class?

### **RESPONSE:**

The revised demand cost recovery is approximately 59 per cent instead of 65 per cent used in the Application.

## **BC Hydro 2015 Rate Design Application**

### **BC HYDRO UNDERTAKING NO. 20**

**HEARING DATE:** August 17, 2016

**REQUESTOR:** BCOAPO

**TRANSCRIPT REFERENCE:** Volume 4, page 762 lines 20 - 26 to page 763, lines 1 - 5

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**QUESTION:**

The Cost of Service methodology as set out in the NSP agreement will change demand related costs attributable to LGS customers. Can you provide the revised percent of demand related costs recovered through demand charges based on demand costs using the NSP methodology for the LGS class?

**RESPONSE:**

This results in a demand cost recovery of approximately 66 per cent instead of 65 per cent used in the Application.



# BC Hydro 2015 Rate Design Application

## BC HYDRO UNDERTAKING NO. 21

**HEARING DATE:** August 17, 2016

**REQUESTOR:** BCOAPO

**TRANSCRIPT REFERENCE:** Volume 4, page 763, lines 24 - 26 to page 764, lines 1- 16

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**QUESTION:**

What would be the LGS demand charge for F2017 if the LGS demand cost recovery was aligned with the Transmission percentage by using the NSP approved cost methodology?

**RESPONSE:**

The estimated change in demand related costs would result in a LGS demand charge of \$10.70/kW, a small change from the proposed \$10.83/kW demand charge.

# BC Hydro 2015 Rate Design Application

## BC HYDRO UNDERTAKING NO. 22

**HEARING DATE:** August 17, 2016

**REQUESTOR:** BCOAPO

**TRANSCRIPT REFERENCE:** Volume 4, page 767, lines 23 – 26 to page 768, lines 1 - 7

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**QUESTION:**

The Cost of Service methodology as set out in the NSP agreement will change demand related costs attributable to MGS customers. Can you provide the revised percent of demand related costs recovered through demand charges based on demand costs using the NSP methodology for the MGS class?

**RESPONSE:**

This results in a demand cost recovery of approximately 30 per cent instead of 35 per cent used in the Application.

# BC Hydro 2015 Rate Design Application

## BC HYDRO UNDERTAKING NO. 23

**HEARING DATE:** August 18, 2016

**REQUESTOR:** NIARG

**TRANSCRIPT REFERENCE:** Volume 5, page 904 lines 20 - 26, page 905, lines 1 - 19

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**QUESTION:**

Revenues from Zone II general service accounts are nearly 50 per cent of total Zone II revenues as shown in Exhibit B-1, Appendix C-3B; section 3.1. What is the comparable percentage for Zone I?

**RESPONSE:**

The comparable percentage for Zone I is approximately 39 per cent.

# BC Hydro 2015 Rate Design Application

## BC HYDRO UNDERTAKING NO. 24

**HEARING DATE:** August 18, 2016

**REQUESTOR:** CEABC

**TRANSCRIPT REFERENCE:** Volume 5, page 919, lines 23 - 25, page 920, lines 1 - 4

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**QUESTION:**

What percentage of BC Hydro's residential customers are on the equal payment plan?

**RESPONSE:**

The percentage is approximately 28 per cent.

# BC Hydro 2015 Rate Design Application

## BC HYDRO UNDERTAKING NO. 25

**HEARING DATE:** August 18, 2016

**REQUESTOR:** Commissioner Counsel

**TRANSCRIPT REFERENCE:** Volume 5, page 968, lines 3 - 13, lines 15 - 24

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### **QUESTION:**

Are the costs in Table 7 of the LGS and MGS Three Year Report (Appendix C-4A pages 582 to 584) only allocated to LGS and MGS rate classes or are they allocated to all customers?

As a follow-up, are the costs incurred by call centre escalations and complaints, key account manager inquiries and complaints, Power Smart and other forms of communications such as the website additional to the cost shown in Table 7 or are they included in Table 7?

### **RESPONSE:**

The costs in Table 7 are allocated to all customers.

Table 7 includes costs related to the development, implementation and the initial sustainment effort of the LGS and MGS conservation rates.

Actual costs to F2014 include incremental support during implementation and transition to ongoing operations. These incremental costs relate to customer inquiries, escalations and complaints from call centre and key account managers and customer communications costs such as website and web tools development, letters, and customer training sessions (both online and in person).