



**Fred James**

Chief Regulatory Officer

Phone: 604-623-4046

Fax: 604-623-4407

[bchydroregulatorygroup@bchydro.com](mailto:bchydroregulatorygroup@bchydro.com)

April 10, 2017

Mr. Patrick Wruck  
Commission Secretary and Manager  
Regulatory Support  
British Columbia Utilities Commission  
Sixth Floor – 900 Howe Street  
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

**RE: British Columbia Utilities Commission (BCUC or Commission)  
British Columbia Hydro and Power Authority (BC Hydro)  
Guarantees as an Alternate Form of Security for Residential Customers  
Application to Amend Electric Tariff**

---

BC Hydro writes to file its application to amend the Electric Tariff pursuant to sections 58(1) to 61 of the *Utilities Commission Act* (**Application**). The proposed amendments will allow residential customers to have another BC Hydro customer act as a guarantor to their account as an alternative to a security deposit. In support of this, amendments are being proposed to enable an outstanding balance up to the amount of the otherwise required security deposit to be transferred to a guarantor and to clarify that BC Hydro can follow normal collection practices, including disconnection if necessary, to recover the transferred amount from the guarantor.

## **Background**

Security deposits help BC Hydro to manage the risk of non-payment of customers' final bills by holding funds that can be applied against an outstanding balance. Under sections 2.6.3 and 2.6.4 of the Electric Tariff:

- BC Hydro may assess a security deposit to new customers who cannot demonstrate acceptable credit, as well as to existing customers who have a poor payment history.
- When assessed, a security deposit may be up to two-times the customer's average monthly bill if billed monthly, and up to three-times the customers' average monthly bill if billed bi-monthly.
- Security deposits are held until a customer has at least one year of on-time payments.

- BC Hydro pays interest on security deposits held at a rate equal to its Weighted Average Cost of Debt in the prior year (4.08 per cent for security deposits held in fiscal 2017).

During the 2015 Rate Design Application proceedings, BC Old Age Pensioners Organization *et al* (**BCOAPO**) identified that security deposits can create hardship for some customers including low income customers. As a result, one of BCOAPO's proposals was that customers should have the ability to provide a surety as an alternative to providing a cash security deposit. For example, BCOAPO's expert witness Roger Colton stated:

“One alternative to cash security deposits is the solicitation of third-party sureties. A surety is a third-party agreement to take responsibility for a household's bill up to some designated limit. It does not involve the transfer of cash. It is instead an agreement (or contract) to pay. Sureties provide an excellent alternative to the collection of cash deposits. By definition, a surety would offer an alternative to low-income households who might not otherwise have access to sufficient funds to provide an up-front cash deposit. Moreover, since the utility does not hold customer cash in a surety situation, there is no need to provide compensation for the time use of the customer's money. A large part of the expense with maintaining security against loss is thus avoided. Several actions should be encouraged, perhaps even required, in an effort to substitute non-cash forms of security for the cash deposit.”<sup>1</sup>

BC Hydro noted in its submission on BCOAPO's Final Argument, “...in this context a surety is a legally-binding commitment of a third-party to pay a customer's bill when the customer defaults. The consequence of the proposal is that insofar as the third-party doesn't honour its contractual commitment, BC Hydro would be obliged to sue on the surety.”<sup>2</sup>

The requirement to initiate legal action to collect on the surety would be expensive and impractical for BC Hydro, and so in this regard a surety would not be a cost-effective method of managing the risk of non-payment. However, BC Hydro agrees there is merit in the general concept of allowing a third-party customer to take responsibility for a customer's bill. As a result, we committed to review how a customer guarantee could be implemented as an alternative to providing a cash security deposit, and then request

---

<sup>1</sup> 2015 Rate Design Application; Exhibit C2-12; Direct Testimony of Roger Colton; page 115 (pdf page 120 of 341), lines 6 to 16.

<sup>2</sup> 2015 Rate Design Application; BC Hydro's October 11, 2016 response to BCOAPO's Final Argument, page 38 (pdf page 41 of 60), paragraph 103.

any tariff changes that would be necessary<sup>3</sup>. The proposals contained in this Application are the result of this review.

Before discussing the details of the amendments being sought in this Application, we want to clarify that this process is separate from the processes we have in place to allow BC Hydro to waive security deposits for customers that have their electricity bills paid directly by the Ministry of Social Development and Social Innovation (**MSDSI**). BC Hydro has discretion within the Electric Tariff to determine when a security deposit is to be assessed. BC Hydro exercises this discretion in respect of customers whose bills are paid by MSDSI and may do so for other social assistance agencies as appropriate.

### **Proposed Electric Tariff Amendments**

BC Hydro proposes amendments to its Electric Tariff to allow one BC Hydro customer to guarantee payment of another customer's security deposit amount. Through this process, BC Hydro is assured the same level of security as it would have with a security deposit while providing customers who may not be able to afford a security deposit flexibility in receiving service. The proposed amendments to the Electric Tariff are reflected in Appendix B. The Table of Contents and Index sections of the Electric Tariff will also be updated accordingly.

The following is a brief description of the changes to the Electric Tariff being proposed:

- (i) **Section 1.2 – Definitions** – BC Hydro has added a definition of “Guarantor” to clarify that a guarantor must be a BC Hydro customer who agrees to act as guarantor and who meets BC Hydro’s requirements for acting as a guarantor. The specifics of BC Hydro’s requirements for acting as guarantor are discussed below.
- (ii) **Section 2.4 - Refusal to Provide Service and Termination by BC Hydro** – BC Hydro has added language to clarify that BC Hydro may terminate the guarantor’s service for refusing to pay any transferred guaranteed amount when acting as a guarantor.
- (iii) **Section 2.6.3 – Security** – BC Hydro has added language to reflect the ability of a customer to provide a guarantee for the security deposit amount. BC Hydro has also changed the title of this section to reflect that there are two options available to residential customers with respect to the provision of security to BC Hydro. Corresponding changes in other sections have been made to reflect this title change.
- (iv) **Section 2.6.4 - Application and Return of Security** – BC Hydro has added language to clarify when a guarantee will be cancelled as well as to clarify that BC Hydro is entitled to transfer an unpaid balance, up to the maximum amounts

---

<sup>3</sup> 2015 Rate Design Application, Exhibit B-38, Opening Statement of Keith Anderson, page 5 (pdf page 9 of 32).

specified in section 2.6.3, to the guarantor within one year of the account closure. BC Hydro has also changed this title to align with the change of section 2.6.3.

The amendments will be implemented through more detailed BC Hydro business practices. We have summarized the business practices for this alternative below.

### Information in Support of Amendments

For context, BC Hydro assesses security deposits to approximately 57,000 customers each year, as shown in [Table 1](#) below. In some instances, a new customer may be assessed a security deposit because the credit check indicates they have a poor credit history. In other cases, the credit rating agency (Equifax) does not have sufficient information on the customer to provide a rating.

Existing customers are assessed security deposits when they are considered to be at risk of non-payment, based on 'creditworthiness points' accumulated through BC Hydro's dunning (i.e., collections) processes. Points are accumulated for each collections action that BC Hydro performs in response to continued non-payment of an outstanding balance.

**Table 1 Security Deposits Assessed in 2015**

New Customers without Demonstrated Credit	40,885
Existing Customers with Deteriorated Payments	15,914
Total Security Deposits Assessed	56,799

When assessed, a security deposit for a typical residential customer is in the range of \$250 to \$500. Larger security deposits would be required for larger consumers of electricity.

BC Hydro believes its proposal contained in this Application is administratively practical and does not hinder our ability to collect revenue for electricity consumed. In addition, our proposed alternative:

- Provides a similar level of certainty for payment to BC Hydro; and
- Allows BC Hydro to avoid paying interest on security deposit balances, and may also have savings through lower collections costs (e.g., no letters or in-bound phone calls related to non-payment of a security deposit).

## Business Practices

To provide additional context, BC Hydro has prepared business practices that would be used to implement the guarantor option that include the following terms:

1. The customer or applicant will be provided the option of identifying a guarantor as an alternative to paying a cash security deposit. This may be done verbally or in a letter specifying the need for a security deposit.
2. The guaranteed customer will be responsible for submitting an account guarantee form which will identify the key terms and conditions of the guarantee being provided and provide authorization for the sharing of relevant customer information with the guarantor in accordance with privacy requirements.
3. BC Hydro will determine if the guarantor is acceptable to act as a guarantor as follows:
  - ▶ The guarantor must pass ID Verification (if a residential customer) and have a good payment history for the past two years; and
  - ▶ Depending on the expected consumption of the account, the guarantor may be required to undergo a credit check.
4. Normal billing and dunning activities will be followed with the customer.
5. With the customer's permission, the guarantor could be linked to the customer's account online to allow them to view bills and be copied on dunning notices.
6. The guarantee will be cancelled after no more than two years provided that the guaranteed customer has maintained a satisfactory payment history.
7. If the customer moves to another premises, the guarantee will transfer to the customer's new account without confirmation from the guarantor provided the required security deposit at the new premises doesn't exceed the maximum value of the existing guarantee. If the new account is greater, a new security will be required.
8. If the customer has multiple accounts, the guarantee would cover all of the customer's accounts.
9. The guarantor will become ineligible to act as a guarantor if they cease to be a BC Hydro customer or if their creditworthiness decreases; however, the initiating customer would be provided the option of identifying another guarantor.

BC Hydro will continuously review and adjust business practices to achieve a balance of customer experience, operational efficiency, and revenue collection.

## Implementation

The guarantor amendments can be implemented primarily through a change in business processes. Some technology changes will be required to enable tracking and reporting of guarantees, to allow BC Hydro to transfer outstanding amounts from a customer to the guarantor and to monitor the credit status of the guarantors themselves. These changes can be accomplished through routine sustainment activities to the billing system. There will also be training and documentation requirements for Customer Service Representatives. The total set-up costs are estimated to be approximately \$10,000.

We will incur ongoing incremental administration costs related to processing applications for guarantors, as well as for monitoring of accounts with guarantees to determine if accounts need to be transferred or if guarantors are no longer eligible. However, we believe savings can be achieved through fewer interest payments on security deposits held and through fewer collection contacts with customers that would have difficulties paying security deposits. Therefore, on balance, implementation of this option should be generally cost-neutral.

BC Hydro proposes that the guarantor option be offered by BC Hydro from and after the effective date of the Commission's order.

## Stakeholder Engagement

This proposal is the result of engagement during Module 1 of the 2015 Rate Design Application, as well as a follow-up discussion in Workshop No. 1 of Module 2 of the Rate Design Application. In general, stakeholders support BC Hydro's guarantor option described herein.

During its Module 1 process, stakeholders offered the following comments:

1. BCOAPO supported the idea of the guarantor but was concerned that the requirement for the guarantor to be a BC Hydro customer "may impose limitations on agencies and/or organizations who seek to provide sureties." BCOAPO also indicated the amount of the guarantee should be limited to the amount of the security deposit that would otherwise have been assessed.<sup>4</sup>
2. The B.C. Sustainable Energy Association and Sierra Club of B.C. (**BCSEA-SCBC**) supported BCOAPO's proposal for the Commission to require BC Hydro to allow a

---

<sup>4</sup> 2015 Rate Design Application, BCOAPO's September 26, 2016 Final Argument, page 90 (pdf page 94 of 116).

customer to provide sureties in lieu of a security deposit but did not specifically comment on BC Hydro's proposal to enact this via a guarantor as proposed.<sup>5</sup>

3. The Commercial Energy Consumers' Association of B.C. (**CEC**) and the Non-Integrated Areas Ratepayers Group (**NIARG**) supported BC Hydro's proposed approach and also supported the changes BCOAPO requested in its final argument.<sup>6 7</sup>
4. The Movement of United Professionals (**MoveUP**) indicated support for BCOAPO's proposed low income terms and conditions, which included the surety, but did not comment specifically on the mechanism by which it is implemented.<sup>8</sup>

BC Hydro presented its proposed approach at Workshop No. 1 of Module 2 of the Rate Design Application. In the workshop, BC Hydro clarified that its proposed approach did not preclude participation of religious and community based organizations.

Subsequent to the workshop, feedback was provided by BCSEA-SCBC, NIARG, BCOAPO and the Zone II Ratepayers Group (**ZoneIIIRPG**). All indicated their support for the proposed changes, and also affirmed the need to ensure that government and community organizations would be able to act as guarantors. BC Hydro has attached copies of the written feedback it received from stakeholders following Workshop No. 1 of Module 2 of the Rate Design Application as Appendix C.

The following are the general themes we heard in the feedback received:

- (i) **Amount of guarantee:** Some interveners felt that the guaranteed amount should be the same as the security deposit amount while others suggested a dollar cap may be more appropriate. Since the intent of the guarantee is to provide BC Hydro with the same degree of financial risk mitigation as a security deposit, BC Hydro has chosen to link the guaranteed amount to the security deposit amount that would otherwise be required. We will also clearly specify this amount in the guarantor application. This addresses the comments of Commission staff and interveners that noted guarantors must understand the liability they are agreeing to take on.
- (ii) **Conditions under which a guarantee would be cancelled by BC Hydro:** BC Hydro's proposal with respect to when a guarantor should no longer be eligible to act as a guarantor is generally consistent with stakeholder feedback. All stakeholders identified that deteriorated creditworthiness of the guarantor is a valid reason for cancelling the guarantee, provided that BC Hydro exhibits

---

<sup>5</sup> 2015 Rate Design Application, BCSEA-SCBC's October 6, 2016 Final Argument, page 61 (pdf page 63 of 66), paragraph 264.

<sup>6</sup> 2015 Rate Design Application, CEC's October 11, 2016 Final Argument, page 69 (pdf page 70 of 141), paragraph 264.

<sup>7</sup> 2015 Rate Design Application, NIARG's October 11, 2016 Final Argument, page 13 (pdf page 16 of 19).

<sup>8</sup> 2015 Rate Design Application, MoveUP's October 11, 2016 Final Argument.

reasonableness in determining if a new guarantee or security deposit is subsequently required. BC Hydro submits that this assessment will likely be on a case-by-case basis and that business practices may evolve based on experience; however, we agree with the premise that following a review of the account in many cases it may not be necessary to require a renewal of the security or guarantee. One stakeholder disagreed with BC Hydro cancelling a guarantee if the guarantor ceased to be a BC Hydro customer. BC Hydro notes that the administrative efficiency of the use of a guarantor relies upon use of standard collection practices to recover an outstanding balance transferred to a guarantor and this would not be possible if the guarantor ceased to be a BC Hydro customer.

(iii) **Limitations to the number of guarantees a customer could provide:**

BC Hydro's proposal is consistent with the feedback received in that our proposal does not include a limit on the number of guarantees that may be provided. However, in practice we may limit the number of guarantees provided based on the financial capacity of the guarantor. Further, while we do not believe it will be a significant issue, we may also prohibit individuals or organizations from acting as guarantors when we have evidence to suggest the guarantor may be profiting by providing guarantees for other customers.

One stakeholder also suggested that guarantors be provided with ongoing compiled reports on their guarantees so they are aware of the electricity bills and bill payment activities. BC Hydro agrees this would be useful and will look at options to see how reporting could be provided.

### **Other Issues Raised**

Commission staff asked two additional questions not addressed by the discussion above. First, staff asked if BC Hydro has conducted any research into other utilities and if we have identified any issues they have encountered. BC Hydro did not undertake a jurisdictional review of the use of a guarantee. We note that the concept of a surety originated from engagement with BCOAPO prior to filing of the 2015 Rate Design Application and was reiterated in Mr. Colton's direct testimony. However, BCOAPO's evidence did not cite an example of where a surety or guarantor is currently in use. Despite this, we recognized that the concept had merit in that it could improve the customer experience without impacting financial risk, provided administrative costs could be minimized. As a result, rather than looking to the experience of other utilities we developed a proposal that we believe would achieve the intent of BCOAPO's initial proposal in a way that could be integrated within our existing collection processes.

Second, staff asked if it would be more appropriate if the use of a guarantor was implemented as a pilot. BC Hydro's view is that offering this as an ongoing option is appropriate for the following reasons:

April 10, 2017  
Mr. Patrick Wruck  
Commission Secretary and Manager  
Regulatory Support  
British Columbia Utilities Commission  
Guarantees as an Alternate Form of Security for Residential Customers Application  
to Amend Electric Tariff

- With appropriate vetting of potential guarantors, we do not believe the risk of non-payment will change significantly whether a residential customer provides a cash security deposit or a guarantee is provided by another customer;
- The billing system and process changes necessary to enable a pilot would be similar to those used for a permanent change; and
- As noted above, the costs of administering for a guarantor are expected to be similar to the costs of administering security deposits. Moreover, as the volume of participants is not likely to be large at the outset, the incremental cost is likely minor.

### Order Sought

BC Hydro has engaged with stakeholders and notes their feedback, included as Appendix C, has been considered in this filing. In this regard, we request that pursuant to sections 58(1) to 61 of the *Utilities Commission Act*, the Commission approve the proposed amendments to the Electric Tariff outlined above and as specifically set out in Appendix B. A draft order is enclosed as Appendix A.

Should the Commission determine that a process is required, BC Hydro requests that the proposed changes to the Electric Tariff be reviewed through a written process with one round of information requests followed by intervener submissions and BC Hydro's reply submission.

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

Yours sincerely,



Fred James  
Chief Regulatory Officer

jc/ma

Enclosure

**Guarantees as an Alternate Form of Security  
for Residential Customers  
Application to Amend Electric Tariff**

---

---

**Appendix A**

**Draft Order**



**ORDER NUMBER**

**G-xx-xx**

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority (BC Hydro)  
Guarantees as an Alternate Form of Security for Residential Customers  
Application to Amend the Electric Tariff

**BEFORE:**

Commissioner  
Commissioner  
Commissioner

on Date

**ORDER**

**WHEREAS:**

- A. BC Hydro requires security for customers who have not established credit satisfactory to BC Hydro or for customers who have not maintained credit satisfactory to BC Hydro, as per section 2.6 (Security for Payment of Bills) of the Electric Tariff.
- B. During the Rate Design Application (**RDA**) Module 1 process, the use of sureties as an alternative to providing a security deposit was raised by the B.C. Old Age Pensioners Organization *et al* (**BCOAPO**); BC Hydro committed to reviewing this.
- C. On January 16, 2017, at a RDA Module 2 workshop, BC Hydro presented on a proposal to use guarantees as an alternate form of security for residential customers, as a more practical solution than the use of sureties. Stakeholder feedback on the proposal was requested by January 30, 2017 in order to submit a filing in advance of a RDA Module 2 filing.
- D. Generally supportive feedback on the guarantor proposal was received from:
  - (i) B.C. Old Age Pensioners Organization *et al* (**BCOAPO**);
  - (ii) B.C. Sustainable Energy Association and Sierra Club of B.C. (**BCSEA-SCBC**);
  - (iii) Non-Integrated Areas Ratepayers Group (**NIARG**); and
  - (iv) Zone II Ratepayers Group (**ZoneIIIRPG**).

Additionally British Columbia Utilities Commission (**Commission**) staff posed a number of questions on BC Hydro's guarantor proposal.

- E. Pursuant to sections 58 to 61 of the *Utilities Commission Act*, on April 10, 2017, BC Hydro filed an application (**Application**) with the Commission for approval to amend the Electric Tariff to allow residential customers to have another BC Hydro customer act as a guarantor to their account as an alternative to providing a security deposit;
- F. The proposed Electric Tariff amendments include:
- (i) The introduction of Guarantor in section 1.2 Definitions;
  - (ii) An update to section 2.4 Refusal to Provide Service and Termination by BC Hydro that allows BC Hydro to refuse to provide service to a Guarantor for failure to pay an amount due by the person provided the guarantee;
  - (iii) Updates to section 2.6.3 Security to allow for the use of a guarantee for residential service customers;
  - (iv) Updates to section 2.6.4 Application and Return of Security to indicate how the guarantee is to be used; and
  - (v) Updates to the title of sections 2.6.3 and 2.6.4, and to the Table of Contents and Index sections to reflect the Electric Tariff amendments noted above.

**NOW THEREFORE** the Commission orders as follows:

1. The amendments to the Electric Tariff as filed in BC Hydro's Application dated April 10, 2017 are approved, effective the date of this Order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

(X. X. last name)  
Commissioner

Attachment Options

**Guarantees as an Alternate Form of Security  
for Residential Customers  
Application to Amend Electric Tariff**

---

---

**Appendix B**

**Electric Tariff Amendments**

**Black-lined**

---

## TABLE OF CONTENTS

### Terms and Conditions

---

<b>1.</b>	<b>Interpretation and Definitions .....</b>	<b>1-1</b>
1.1	Interpretation .....	1-1
1.1.1	Conflicts.....	1-1
1.1.2	Statutes .....	1-1
1.1.3	Technical Terms .....	1-1
1.1.4	Including .....	1-1
1.2	Definitions .....	1-1
1.3	Map of Rate Zones.....	1-8
<b>2.</b>	<b>Application for Service and Service Agreement.....</b>	<b>2-1</b>
2.1	Application for Service and Service Agreement.....	2-1
2.2	Electric Tariff Supplements.....	2-1
2.3	Commencement and Term of Service .....	2-1
2.4	Refusal to Provide Service and Termination by BC Hydro.....	2-2
2.5	No Assignment.....	2-2
2.6	Security for Payment of Bills.....	2-2
2.6.1	Security for Payment of Bills .....	2-2
2.6.2	Pay As You Go Billing.....	2-3
2.6.3	Security Deposits.....	2-3
2.6.4	Application and Return of Security Deposits .....	2-3
2.7	Termination of Service by Customer .....	2-4
2.8	No Release of Customer Obligations .....	2-5
2.9	Customer Request for Disconnection .....	2-5
2.10	Re-Application for Service .....	2-5
<b>3.</b>	<b>Provision of Electricity .....</b>	<b>3-1</b>
3.1	New and Replacement Service Connections.....	3-1
3.2	Number of Service Connections.....	3-1
3.3	Premises Previously Connected.....	3-1

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

**BC Hydro**

Table of Contents – ~~Original~~ Revision 1  
Effective: April 1, 2017

Page ii

---

3.4	Premises Not Previously Connected .....	3-1
3.5	Temporary Service .....	3-2
3.6	Service Voltage and Number of Phases .....	3-2
3.7	Civil Work and Structures on Private Property .....	3-2
3.8	Electrical Facilities on Private Property .....	3-2
3.9	Primary Loop Service Connection .....	3-3
3.10	Care of BC Hydro Equipment .....	3-3
3.11	Service Upgrades .....	3-3
	3.11.1 Service Connection Upgrades .....	3-3
	3.11.2 Transformer Upgrades .....	3-3
	3.11.3 Upgrades Must Comply with Standards .....	3-4
3.12	Transformation on Private Property (All Rate Zones) .....	3-4
3.13	Connection and Disconnection Work .....	3-4
3.14	Service Connection Charges .....	3-4
<b>4.</b>	<b>Metering .....</b>	<b>4-1</b>
4.1	Meter Installation .....	4-1
4.2	Meter Equipment and Location .....	4-1
	4.2.1 Meter Types .....	4-1
	4.2.2 Conditions for Retention or Installation of Legacy Meters and Radio off Meters .....	4-2
	4.2.3 Periods during which Legacy Meters May Remain in Place .....	4-2
	4.2.4 Periods during which Radio-off Meters May Remain in Place .....	4-4
	4.2.5 Legacy Meter and Radio-off Meter Charges .....	4-5
4.3	Meter Testing .....	4-5
4.4	Metering of Multiple Occupancy Buildings .....	4-6
	4.4.1 Multiple Occupancy Buildings - Residential Units .....	4-6
	4.4.2 Multiple Occupancy Buildings – Non-Residential Units .....	4-6
<b>5.</b>	<b>Meter Reading and Billing .....</b>	<b>5-1</b>
5.1	Meter Reading .....	5-1
5.2	Billing .....	5-1
	5.2.1 Regular Billing .....	5-1
	5.2.2 Change in Rate Schedule .....	5-2

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Table of Contents – ~~Original~~ Revision 1  
Effective: April 1, 2017

Page iii

---

5.3	Payment of Bills .....	5-2
5.4	Billing of Fractional Demand.....	5-2
5.5	Waiver of Minimum Charges .....	5-2
5.6	Monthly Equal Payments.....	5-3
5.7	Back-Billing .....	5-4
<b>6.</b>	<b>Rates and Charges .....</b>	<b>6-1</b>
6.1	Rates.....	6-1
6.1.1	Application of Rate Schedules .....	6-1
6.1.2	Eligibility of Farms for Residential Service .....	6-1
6.1.3	General Service Election – Residential Customers.....	6-2
6.1.4	General Service Election – Irrigation Customers.....	6-2
6.2	Use of Electricity .....	6-2
6.3	Late Payment Charge .....	6-2
6.4	Returned Payment Charge.....	6-3
6.5	Account Charge .....	6-3
6.6	Call Back Charges.....	6-3
6.6.1	Service Connection Call Back Charge .....	6-3
6.6.2	Failed Installation Charge .....	6-4
6.7	Minimum Reconnection Charge .....	6-4
6.8	Taxes and Levies .....	6-4
<b>7.</b>	<b>Load Changes and Operation .....</b>	<b>7-1</b>
7.1	Increases in Electrical Load.....	7-1
7.2	Power Factor Requirements.....	7-1
7.2.1	Lighting.....	7-1
7.2.2	Requirements for Lagging Power Factor.....	7-1
7.2.3	Failure to Comply with Power Factor Requirements .....	7-2
7.3	Disturbing Use.....	7-2
<b>8.</b>	<b>Distribution Extensions – 35 kV or Less .....</b>	<b>8-1</b>
8.1	General Terms .....	8-1
8.2	Types of Distribution Extensions .....	8-1
8.3	Extension Fee for Rate Zone I.....	8-1

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Table of Contents – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~

Page iv

---

8.4	Guarantee .....	8-3
8.5	Refund of Extension Fee for Rate Zone I (Excluding Subdivisions) .....	8-3
8.5.1	Extension Fee \$5,000 or Less .....	8-3
8.5.2	Extension Fee Greater Than \$5,000 .....	8-4
8.6	Distribution Extensions Serving Subdivisions for Rate Zone I .....	8-4
8.6.1	Non-Residential Subdivisions .....	8-4
8.6.2	Residential Subdivisions .....	8-5
8.7	Extensions for Rate Zone IB and Rate Zone II .....	8-5
8.8	Uneconomic Extension Fund .....	8-5
8.9	Distribution Extensions on Private Property (All Rate Zones) .....	8-7
8.10	Distribution Extensions on Private Property Constructed by BC Hydro (All Rate Zones) .....	8-7
8.11	Distribution Extensions on Private Property Constructed by the Customer (All Rate Zones) .....	8-8
<b>9.</b>	<b>General Provisions .....</b>	<b>9-1</b>
9.1	Resale of Electricity .....	9-1
9.2	Rental Premises Agreements .....	9-1
9.3	Access to Premises .....	9-1
9.4	Interruption of Service .....	9-2
9.5	Liability of BC Hydro .....	9-2
9.6	Liability of Other Utilities .....	9-3
9.7	Generating Facility Connections (Distributed Generation) .....	9-3
<b>10.</b>	<b>Rate Zone IB and Rate Zone II .....</b>	<b>10-1</b>
10.1	Special Terms Applicable to Supply in Rate Zone IB and Rate Zone II .....	10-1
10.2	BC Hydro Contribution to Costs to Serve Customers in Rate Zone IB and Rate Zone II Districts .....	10-2
<b>11.</b>	<b>Schedule of Standard Charges .....</b>	<b>11-1</b>
11.1	Minimum Connection Charges – Rate Zone I .....	11-1
11.2	Additional Meter Charges .....	11-1
11.3	Minimum Reconnection Charges .....	11-2
11.4	Miscellaneous Standard Charges .....	11-3

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

**BC Hydro**

Table of Contents – Original Revision 1  
Effective: April 1, 2017

Page v

**Rate Schedules**

	RS No.	Page
<b>1. Residential Service</b>		
Residential Service	1101	
	1121	1-1
Residential Service – Dual Fuel (Closed)	1105	1-4
Residential Service – Zone II	1107	
	1127	1-6
Residential Service – Zone II (Closed)	1148	1-8
Exempt Residential Service	1151	
	1161	1-9
<b>2. General Service</b>		
Exempt General Service (35 kW and Over)	1200	
	1201	
	1210	
	1211	2-1
General Service – Dual Fuel (Closed)	1205	
	1206	
	1207	2-4
Small General Service (Under 35 KW) – Zone II	1234	2-10
Distribution Service – IPP Station Service	1253	2-13
General Service (35 KW and Over) – Zone II	1255	
	1256	
	1265	
	1266	2-15
Distribution Service – IPP Distribution		
Transportation Access	1268	2-17
Power Service (Closed)	1278	2-19
Shore Power Service (Distribution)	1280	2-21

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

**BC Hydro**

Table of Contents – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~ \_\_\_\_\_

Page vi

	<b>RS No.</b>	<b>Page</b>
Small General Service (Under 35 kW)	1300 1301 1310 1311	2-23
Medium General Service (35 kW or Greater and Less Than 150 kW)	1500 1501 1510 1511	2-27
Large General Service (150 kW and Over)	1600 1601 1610 1611	2-31
<b>3. Irrigation</b>		
Irrigation Service	1401	3-1
<b>4. Street Lighting Service</b>		
Overhead Street Lighting	1701	4-1
Public Area Ornamental Street Lighting	1702	4-4
Street Lighting Service	1703	4-8
Traffic Control Equipment	1704	4-11
Private Outdoor Lighting (Closed)	1755	4-13
<b>5. Transmission Service</b>		
Transmission Service – Stepped Rate	1823	5-1
Transmission Service – Time-of-Use (TOU) Rate	1825	5-6
Transmission Service – Rate for Exempt Customers	1827	5-11
Transmission Service – Modified Demand	1852	5-13
Transmission Service – IPP Station Service	1853	5-17
Transmission Service – Standby and Maintenance Supply	1880	5-19
Transmission Service – Shore Power Service	1891	5-23
Transmission Service – Freshet Energy	1892	5-25
Transmission Service – FortisBC Inc.	3808	5-32

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

# BC Hydro

Table of Contents – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~ \_\_\_\_\_

Page vii

---

	<b>RS No.</b>	<b>Page</b>
Wheeling Service – FortisBC Inc.	3817	5-36
<b>6. Other</b>		
Net Metering Service	1289	6-1
Deferral Account Rate Rider	1901	6-11

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 1 – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~ \_\_\_\_\_

Page 1-1

---

**1. INTERPRETATION AND DEFINITIONS**

**1.1 Interpretation**

**1.1.1 Conflicts**

To the extent these Terms and Conditions conflict with any applicable Rate Schedule or Electric Tariff Supplement, the terms or conditions provided in such Rate Schedule or Electric Tariff Supplement will prevail. To the extent that an applicable Rate Schedule conflicts with an applicable Electric Tariff Supplement, the terms or conditions provided in the Electric Tariff Supplement will prevail.

**1.1.2 Statutes**

References to statutes in the Electric Tariff will include the statute and regulations issued pursuant to it, as amended and in force from time to time, and any superseding statute or regulation.

**1.1.3 Technical Terms**

Technical or industry-specific phrases, units of measure or words not otherwise defined in the Electric Tariff have the well-known meaning given to those terms in the electrical industry.

**1.1.4 Including**

In the Electric Tariff, the word “including” will in all cases be deemed to mean “including without limitation”, unless otherwise expressly provided.

**1.2 Definitions**

Unless the context otherwise requires, in the Electric Tariff the following words have the meanings set out below and alternate forms of the same words have corresponding meanings.

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 1 – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~ \_\_\_\_\_

<b>BC Hydro</b>	British Columbia Hydro and Power Authority.
<b>BC Hydro- Owned Street Lighting Service</b>	Service for lighting of public highways, streets, lanes and other similar public applications and displays, or for lighting of private property, where BC Hydro owns, installs and maintains the fixtures, conductors, controls and poles.
<b>Billing Demand</b>	Maximum Demand or, where permitted by the applicable Rate Schedule, estimated Demand, used to determine Demand charges under a Rate Schedule.
<b>Customer</b>	Any Person whose application for Service has been accepted by BC Hydro or, in the absence of such an application, the Person with possession of the Premises to which Service is provided or the Owner or such other Person designated as the Customer pursuant to the Electric Tariff. If a Customer receives Service at more than one Premises, such Customer will be considered a separate Customer for each Premises.  BC Hydro will determine the number of Premises for the purpose of this definition.
<b>Customer- Owned Street Lighting Service</b>	Service for lighting of public highways, streets, lanes, traffic signals, traffic signs and other similar public applications and displays where the Customer owns, installs and maintains the fixtures, conductors and controls.
<b>Demand</b>	The rate at which electric energy is used in any instant or averaged over any designated period of time, measured in kilowatts ( <b>kW</b> ) or kilovolt amperes ( <b>kVA</b> ).
<b>Disconnection</b>	A physical deactivation of a Service Connection, including through removal of Metering Equipment and / or other BC Hydro equipment used to provide Service, regardless of duration.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 1 – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~ \_\_\_\_\_

Page 1-3

<b>Dwelling</b>	A building or part of a building comprising private living quarters and containing sleeping quarters, a kitchen and bathroom, and in which the occupants have free access to all rooms, or alternative living quarters acceptable to BC Hydro, and including single-family homes, apartments, townhouses, row-houses and duplexes.
<b>Electric Tariff</b>	These Terms and Conditions, the Rate Schedules and all Electric Tariff Supplements.
<b>Electric Tariff Supplement</b>	A form of agreement for Service entered into by a Customer and BC Hydro pursuant to section 2.2 (Electric Tariff Supplements) of these Terms and Conditions, as filed with the British Columbia Utilities Commission from time to time.
<b>Electricity</b>	Both Demand and Energy or either, as the context requires.
<b>Energy</b>	Electric consumption, measured in kilowatt hours ( <b>kWh</b> ).
<b>Estimated Construction Cost</b>	The cost estimated by BC Hydro to construct an Extension, a Service Connection or Optional Facilities pursuant to section 8.3 (Extension Fee for Rate Zone I), as the context requires.
<b>Extension</b>	An addition to or an increase in the capacity of BC Hydro's distribution system required to meet new or increased Service requirements, but excluding Service Connections.
<b>Extension Fee</b>	A contribution-in-aid of construction of an Extension, calculated as set out in section 8.3 (Extension Fee for Rate Zone I).
<b>Financing Agreement</b>	An agreement under which BC Hydro provides financing to a Customer for improving the energy efficiency of a Premises.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 1 – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~ \_\_\_\_\_

Page 1-4

<b>General Service</b>	<p>Service for business, commercial, institutional or industrial use, including use in nursing homes, boarding houses, rooming houses, common areas of multiple occupancy buildings, recreational establishments, marinas and yacht clubs, hotels, motels, mobile home parks and similar establishments or parts thereof, or for any other use not specifically provided for in the Electric Tariff.</p> <p>For greater certainty, General Service is not available for use in circumstances where Transmission Service or Street Lighting Service is available for use, and is available as an alternative to Residential Service only in the circumstances described in section 6.1.3 (General Service Election – Residential Customers) and as an alternative to Irrigation Service only in the circumstances described in section 6.1.4 (General Service Election – Irrigation Customers).</p>
<b><u>Guarantor</u></b>	<p><u>A BC Hydro Customer who agrees to be responsible for another Customer's security deposit amount as required by section 2.6.3 (Security) and who meets BC Hydro's requirements for acting as a Guarantor.</u></p>
<b>Irrigation Service</b>	<p>Except where General Service is requested pursuant to section 6.1.4 (General Service Election – Irrigation Customers), Service for irrigation and outdoor sprinkling use where associated motor loads are 746 watts (<b>W</b>) or more.</p>
<b>Legacy Meter</b>	<p>An Electricity meter, other than a Smart Meter or a Radio-off Meter, that is of a type in use by BC Hydro.</p>
<b>Maximum Demand</b>	<p>The highest Demand averaged over a time interval of not more than 32 consecutive minutes that is registered during a specified period by a meter with Demand measurement capability.</p>
<b>Metering Equipment</b>	<p>An assembly of metering and ancillary equipment, including one or more Legacy Meters, Radio-off Meters and / or Smart Meters, auxiliary control units, cabling, communication links, range extenders and any other devices owned and used by BC Hydro in connection with metering Electricity for a Premises, providing remote access to the metered data and / or monitoring the condition of the installed equipment, as applicable.</p>

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 1 – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~ \_\_\_\_\_

<b>Month</b>	A period of from 27 to 33 consecutive days.
<b>Owner</b>	The legal or beneficial owner(s) of a building or Premises or an agent or other authorized representative of such owner(s), such as a property manager, strata corporation or developer, as the context requires.
<b>Permanent Service</b>	Service that is not Temporary Service.
<b>Person</b>	A natural person, partnership, corporation, society, unincorporated entity or body politic.
<b>Point of Delivery</b>	The location at which the Service Connection is connected to the Metering Equipment or the Customer's electrical facilities, whichever comes first.
<b>Power Factor</b>	The ratio determined by the following formula and based on monthly measurements of kilowatt hours ( <b>kWh</b> ) and lagging kilovolt-ampere reactive hours ( <b>kVarh</b> ) or at BC Hydro's discretion by random checks from time to time.  $\text{Power Factor} = \frac{kWh}{\sqrt{kWh^2 + kVarh^2}}$
<b>Premises</b>	A building, a separate unit of a building, a Dwelling or machinery, together with the surrounding land.
<b>Primary Voltage</b>	A voltage of 750 volts ( <b>V</b> ) or more measured phase to phase.
<b>Radio-off Meter</b>	A Smart Meter adjusted so that the meter's components that transmit and receive data by radio are deactivated.
<b>Rate Schedule</b>	A schedule that sets out rates for Service and other terms and conditions, as filed with the British Columbia Utilities Commission from time to time.
<b>Rate Zone I</b>	All distribution areas served by BC Hydro within the limits from time to time outlined in Rate Map A included in these Terms and Conditions, as well as the Districts of Kingsgate-Yahk and Lardeau-Shutty Bench.
<b>Rate Zone IB</b>	Bella Bella.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 1 – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~

Page 1-6

<b>Rate Zone II</b>	Anahim Lake, Atlin, Bella Coola, Dease Lake, Elhlateese, Fort Ware, Good Hope Lake, Haida Gwaii, Hartley Bay, Jade City, Telegraph Creek District, Toad River and Tsay Keh Dene.
<b>Residential Service</b>	<p>Except as otherwise provided in section 6.1.3 (General Service Election – Residential Customers), Service for use:</p> <ol style="list-style-type: none"> <li>1. In Dwellings, including Dwellings where a portion is used to carry on a business;</li> <li>2. In the common areas of multiple occupancy buildings if such common areas are used only for the common benefit of Dwellings in that building; and</li> <li>3. At farms, in the circumstances described in section 6.1.2 (Eligibility of Farms for Residential Service).</li> </ol>
<b>Secondary Voltage</b>	A voltage of less than 750 volts (V) measured phase to phase.
<b>Service</b>	The provision by BC Hydro of Electricity to a Premises.
<b>Service Agreement</b>	The agreement setting out the rights and responsibilities of BC Hydro and a Customer for Service, including the application for Service accepted by BC Hydro (if any), all applicable provisions of the Terms and Conditions and applicable Rate Schedule(s), and any additional terms and conditions of Service as agreed by BC Hydro and the Customer in an Electric Tariff Supplement or otherwise.
<b>Service Connection</b>	That part of the BC Hydro distribution system extending between a Point of Delivery and the first point of attachment to the rest of the BC Hydro distribution system.
<b>Smart Meter</b>	<p>An Electricity meter that:</p> <ol style="list-style-type: none"> <li>1. Meets the requirements set out in section 2 of the <i>Smart Meters and Smart Grid Regulation</i>, B.C. Reg. 368/2010, and</li> <li>2. Has components that transmit data by radio and those components are activated.</li> </ol>

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 1 – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~ \_\_\_\_\_

Page 1-7

<b>Street Lighting Service</b>	BC Hydro-Owned Street Lighting Service or Customer-Owned Street Lighting Service or both, as the context requires.
<b>System Improvement Costs</b>	The incremental cost of work on BC Hydro's distribution system, including substations, attributed to new or increased Service requirements, as estimated by BC Hydro.
<b>Temporary Service</b>	Service that will or, in BC Hydro's determination, is likely to be taken temporarily.
<b>Termination</b>	Cessation of Service to a Premises under any applicable Rate Schedule(s) or termination of the Service Agreement with a Customer, as the context requires.
<b>Terms and Conditions</b>	These terms and conditions of Service, as filed with the British Columbia Utilities Commission from time to time.
<b>Transformation</b>	The transformation of Primary Voltage to Secondary Voltage, including all associated labour, equipment and materials.
<b>Transmission Service</b>	Service for commercial, industrial and institutional Customers, provided at 60 kilovolts ( <b>kV</b> ) or more.
<b>Two Months</b>	A period of from 54 to 66 consecutive days.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 1 – ~~Original~~ Revision 1  
Effective: April 1, 2017

**1.3 Map of Rate Zones**

**Rate map**

**RATE ZONE LIMITS**

ZONE I	ZONE IB	ZONE II
— Integrated Service Area Districts of: ● Fort Nelson ● Eddontenajon ● Kingsgate - Yahk ● Lardeau - Shutty Bench	District of: ▲ Bella Bella	Districts of: ●●●● Haida Gwaii ■ Anahim Lake ■ Atlin ■ Bella Coola ■ Dease Lake ■ Elhateese ■ Fort Ware ■ Good Hope Lake ■ Hartley Bay ■ Jade City ■ Telegraph Creek ■ Toad River ■ Tsay Keh Dene



ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**2. APPLICATION FOR SERVICE AND SERVICE AGREEMENT**

**2.1 Application for Service and Service Agreement**

A Person requesting new or modified Service must apply to BC Hydro online at [www.bchydro.com](http://www.bchydro.com), by telephone, or in person. Applicants may be required to complete and sign an application and agreement for Service in the form provided by BC Hydro and to provide information and identification acceptable to BC Hydro.

BC Hydro may refuse to accept an application for Service for any of the reasons listed in section 2.4 (BC Hydro Refusal to Provide Service and Termination).

The Service Agreement between a Customer and BC Hydro will comprise, to the extent applicable, the application for Service, as accepted by BC Hydro, the provisions of the Terms and Conditions and Rate Schedules, and any additional terms and conditions of Service agreed by BC Hydro and the Customer in an Electric Tariff Supplement or otherwise.

**2.2 Electric Tariff Supplements**

BC Hydro may provide Service under an Electric Tariff Supplement, subject to filing it with the British Columbia Utilities Commission.

**2.3 Commencement and Term of Service**

Except as otherwise provided in the Service Agreement, a Person becomes a Customer and Service commences when:

1. BC Hydro connects or re-connects the Premises to BC Hydro’s electrical system; or
2. The Person’s right to possession of the Premises commences,

whichever is later and regardless of whether such Person has completed and signed an application or any contract for Service, and Service will continue until Terminated by BC Hydro or the Customer.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

## BC Hydro

Terms and Conditions, Section 2 – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~

Page 2-2

### 2.4 Refusal to Provide Service and Termination by BC Hydro

BC Hydro may, without liability of any kind, refuse to provide Service to any Person or may without notice Terminate Service to any Customer (whether by Disconnection or otherwise) who:

1. Fails to pay for Service;
- ~~4-2.~~ Fails to pay an amount due as a result of that Customer acting as a Guarantor for another BC Hydro Customer under section 2.6.3 (Security);
- ~~2-3.~~ Fails to apply for Service or fails to provide information or identification acceptable to BC Hydro when applying for Service or at any subsequent time on request by BC Hydro;
- ~~3-4.~~ Occupies the Premises with another occupant who has an amount outstanding under a Service Agreement or Financing Agreement in respect of the current Premises or another Premises previously occupied by the Person or Customer and such other occupant at the same time;
- 4-5. Fails to provide access as required by section 9.3 (Access to Premises);
- ~~5-6.~~ Fails to pay any amount owing under a Financing Agreement; or
- ~~6-7.~~ Otherwise fails to comply with the Service Agreement.

### 2.5 No Assignment

A Customer may not assign a Service Agreement to another Person.

### 2.6 Security for Payment of Bills

#### 2.6.1 Security for Payment of Bills

An applicant for Service who has not established credit satisfactory to BC Hydro will be required to:

1. Provide ~~a security deposit~~ in accordance with section 2.6.3 (~~Security-Deposits~~), or
2. Participate in Pay As You Go Billing as set out in section 2.6.2 (Pay As You Go Billing), with no security ~~deposit~~.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

## BC Hydro

Terms and Conditions, Section 2 – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~

Page 2-3

A Customer who has not maintained credit satisfactory to BC Hydro will be required to provide ~~a security deposit~~ or to increase the amount of ~~an existing security deposit~~ in accordance with section 2.6.3 (~~Security Deposits~~).

### 2.6.2 Pay As You Go Billing

Customers participating in Pay As You Go Billing will be billed by BC Hydro at the beginning of each month based either on an estimated average monthly bill or one-twelfth of the estimated annual bill for Service, subject to amendment by BC Hydro from time to time. Pay As You Go bills have the same force and effect as bills based on actual meter readings and must be paid in accordance with section 5.3 (Payment of Bills).

Any Customer participating in Pay As You Go Billing who has paid in full all amounts when due during the immediately preceding year may terminate Pay As You Go Billing and elect any other billing option then available to that Customer under the Service Agreement.

### 2.6.3 ~~Security Deposits~~

The amount of security ~~deposit~~ required will in each case be determined by BC Hydro in its discretion based on factors such as Energy consumption at the Premises and Customer account and credit history, provided that the security ~~deposit~~ required by BC Hydro will not in any case exceed:

1. If the account is billed monthly, two times the average monthly bill of the Customer or, in the case of an applicant, two times the estimated average monthly bill; ~~or~~
2. If the account is billed bi-monthly, three times the average monthly bill of the Customer or, in the case of an applicant, three times the estimated average monthly bill; or:

This security obligation may be satisfied by providing to BC Hydro a security deposit or, for a Customer taking Residential Service, a guarantee from a Guarantor. A security deposit must be in the form of cash or an equivalent form of security acceptable to BC Hydro and a guarantee must be in a form acceptable to BC Hydro. ~~Security deposits must be in the form of cash or an equivalent form of security acceptable to BC Hydro.~~

### 2.6.4 ~~Application and Return of Security Deposits~~

1. A security deposit may be returned to the Customer, or in the case of a guarantee provided by a Guarantor cancelled, at any time if, according to the records of BC Hydro, the Customer has at all times during the immediately preceding one year period

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 2 – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~ \_\_\_\_\_

Page 2-4

maintained an account with BC Hydro and paid in full all amounts when due in accordance with the Service Agreement.

2. BC Hydro may apply the whole or any part of the Customer's security deposit and earned interest, if any, toward payment of any amount not paid by the Customer to BC Hydro on the due date shown on the bill. No application of the security deposit under this section will restrict BC Hydro's right to Terminate Service for the Customer's failure to pay for Service. The Customer will promptly replenish the security deposit upon request by BC Hydro.
3. A cash security deposit and interest, if any, may be applied by BC Hydro in whole or in part toward payment of the final bill of the Customer on the billing date of the final bill.
4. A security deposit in a form other than cash may be applied by BC Hydro in whole or in part toward payment of the final bill of the Customer if all amounts owing are not paid on the due date shown on the bill.
5. If a Customer's account is closed and a guarantee has been provided, BC Hydro may transfer to the Guarantor's account any outstanding balance, up to the maximum amounts specified in section 2.6.3 (Security), within one year of the date on which the account was closed.
6. Any part of a security deposit, including interest, if any, on a cash security deposit, that has not been applied in accordance with this section will be refunded or returned to the Customer.
7. BC Hydro will pay interest on cash security deposits at a rate equal to BC Hydro's weighted average cost of debt, calculated for BC Hydro's most recent fiscal year.
8. Payment of interest on a cash security deposit held by BC Hydro will be made in the form of a credit to the Customer's account each time the account is billed or added to the amount of the cash deposit when a refund is made as provided in paragraph 5 above.
9. BC Hydro will not pay interest on security deposits held by it in a form other than cash.
10. No interest will accrue on any security deposit after the billing date of the final bill for the account secured by the deposit.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 2 – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~ \_\_\_\_\_

**2.7 Termination of Service by Customer**

Except as otherwise provided in the Service Agreement, a Customer may Terminate Service by giving to BC Hydro at least 24 hours' notice. The Customer continues to be subject to all applicable terms and conditions of the Service Agreement, including the obligation to pay for all Electricity provided to the Premises and all damage to and loss of wires, Metering Equipment or other apparatus of BC Hydro until the Termination date specified in the notice or 24 hours after BC Hydro receives such notice, whichever is later.

In cases where the Customer is a tenant and fails to provide notice of Termination in accordance with this section, the Owner will, pursuant to section 2.3 (Commencement and Term of Service) but subject to the terms of any rental premises agreement in effect pursuant to section 9.2 (Rental Premises Agreements), become the new Customer for the Premises on the day that its right to possession of the Premises commences and therefore assume responsibility for payment of Electricity used on the Premises from that date.

**2.8 No Release of Customer Obligations**

No Termination of Service will release a Customer from any previously existing obligations to BC Hydro under a Service Agreement or Financing Agreement or any other agreement with BC Hydro.

**2.9 Customer Request for Disconnection**

Upon receipt of a Customer request, BC Hydro will Disconnect the Customer's Premises. The Customer will be responsible to pay for all Electricity used at the Premises until Disconnection in accordance with this section, unless Service is earlier Terminated by either the Customer or BC Hydro.

**2.10 Re-Application for Service**

Where a Customer Terminates Service to a Premises and that Person, or a co-occupant, representative or agent of that Person, applies for Service to the same Premises within 12 months of such Termination on the same Rate Schedule as previously applied, and regardless of whether Disconnection occurred, the applicant will pay the sum of:

1. The greater of the Minimum Reconnection Charge, as set out in section 11.3 (Minimum Reconnection Charges), or BC Hydro's estimated cost to restore Service; and

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 2 – ~~Original~~ Revision 1  
Effective: ~~April 1, 2017~~ \_\_\_\_\_

Page 2-6

- 
2. The sum of the minimum charges the Customer would have paid between the time of Termination and the time that Service is restored, under this section.

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

## INDEX

### Terms and Conditions

	<b>Page</b>
Access to Premises.....	9-1
Account Charge .....	6-3
Additional Meter Charges .....	11-1
Application and Return of Security Deposits.....	2-3
Application for Service and Service Agreement.....	2-1
Application of Rate Schedules.....	6-1
Back-Billing .....	5-4
BC Hydro Contribution to Costs to Serve Customers in Rate Zone IB and Rate Zone II Districts .....	10-2
Billing .....	5-1
Billing of Fractional Demand.....	5-2
Call Back Charges.....	6-3
Care of BC Hydro Equipment.....	3-3
Change in Rate Schedule.....	5-2
Civil Work and Structures on Private Property.....	3-2
Commencement and Term of Service .....	2-1
Conditions for Retention or Installation of Legacy Meters and Radio off Meters .....	4-2
Conflicts .....	1-1
Connection and Disconnection Work.....	3-4
Customer Request for Disconnection .....	2-5
Definitions .....	1-1
Distribution Extensions – 35 kV or Less .....	8-1
Distribution Extensions on Private Property (All Rate Zones) .....	8-7
Distribution Extensions on Private Property Constructed by BC Hydro (All Rate Zones).....	8-7
Distribution Extensions on Private Property Constructed by the Customer (All Rate Zones).....	8-8
Distribution Extensions Serving Subdivisions for Rate Zone I.....	8-4
Disturbing Use.....	7-2
Electric Tariff Supplements.....	2-1

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

**BC Hydro**

Index – ~~Original~~ Revision 1

Effective: April 1, 2017

Page ii

---

Electrical Facilities on Private Property.....	3-2
Eligibility of Farms for Residential Service.....	6-1
Extension Fee \$5,000 or Less.....	8-3
Extension Fee for Rate Zone I.....	8-1
Extension Fee Greater Than \$5,000.....	8-4
Extensions for Rate Zone IB and Rate Zone II.....	8-5
Failed Installation Charge.....	6-4
Failure to Comply with Power Factor Requirements.....	7-2
General Provisions.....	9-1
General Service Election – Irrigation Customers.....	6-2
General Service Election – Residential Customers.....	6-2
General Terms.....	8-1
Generating Facility Connections (Distributed Generation).....	9-3
Guarantee.....	8-3
Including.....	1-1
Increases in Electrical Load.....	7-1
Interpretation.....	1-1
Interpretation and Definitions.....	1-1
Interruption of Service.....	9-2
Late Payment Charge.....	6-2
Legacy Meter and Radio-off Meter Charges.....	4-5
Liability of BC Hydro.....	9-2
Liability of Other Utilities.....	9-3
Lighting.....	7-1
Load Changes and Operation.....	7-1
Map of Rate Zones.....	1-8
Meter Equipment and Location.....	4-1
Meter Installation.....	4-1
Meter Reading.....	5-1
Meter Reading and Billing.....	5-1
Meter Testing.....	4-5
Meter Types.....	4-1
Metering.....	4-1
Metering of Multiple Occupancy Buildings.....	4-6
Minimum Connection Charges – Rate Zone I.....	11-1
Minimum Reconnection Charge.....	6-4

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Index – Original Revision 1

Effective: April 1, 2017

Page iii

Minimum Reconnection Charges.....	11-2
Miscellaneous Standard Charges.....	11-3
Monthly Equal Payments.....	5-3
Multiple Occupancy Buildings - Non-Residential Units .....	4-6
Multiple Occupancy Buildings - Residential Units .....	4-6
New and Replacement Service Connections.....	3-1
No Assignment.....	2-2
No Release of Customer Obligations .....	2-5
Non-Residential Subdivisions.....	8-4
Number of Service Connections.....	3-1
Pay As You Go Billing .....	2-3
Payment of Bills .....	5-2
Periods during which Legacy Meters May Remain in Place.....	4-2
Periods during which Radio-off Meters May Remain in Place.....	4-4
Power Factor Requirements.....	7-1
Premises Not Previously Connected .....	3-1
Premises Previously Connected.....	3-1
Primary Loop Service Connection .....	3-3
Provision of Electricity .....	3-1
Rate Zone IB and Rate Zone II.....	10-1
Rates.....	6-1
Rates and Charges .....	6-1
Re-Application for Service.....	2-5
Refund of Extension Fee for Rate Zone I (Excluding Subdivisions).....	8-3
Refusal to Provide Service and Termination by BC Hydro.....	2-2
Regular Billing.....	5-1
Rental Premises Agreements.....	9-1
Requirements for Lagging Power Factor .....	7-1
Resale of Electricity.....	9-1
Residential Subdivisions .....	8-5
Returned Payment Charge.....	6-3
Schedule of Standard Charges.....	11-1
Security Deposits.....	2-3
Security for Payment of Bills.....	2-2
Service Connection Call Back Charge.....	6-3
Service Connection Charges.....	3-4

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

**BC Hydro**

Index – ~~Original~~ Revision 1

Effective: April 1, 2017

Page iv

---

Service Connection Upgrades .....	3-3
Service Upgrades.....	3-3
Service Voltage and Number of Phases .....	3-2
Special Terms Applicable to Supply in Rate Zone IB and Rate Zone II.....	10-1
Statutes.....	1-1
Taxes and Levies .....	6-4
Technical Terms.....	1-1
Temporary Service .....	3-2
Termination of Service by Customer .....	2-4
Transformation on Private Property (All Rate Zones) .....	3-4
Transformer Upgrades .....	3-3
Types of Distribution Extensions .....	8-1
Uneconomic Extension Fund.....	8-5
Upgrades Must Comply with Standards.....	3-4
Use of Electricity .....	6-2
Waiver of Minimum Charges .....	5-2

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Index – Original Revision 1

Effective: April 1, 2017

Page v

**Rate Schedules**

	<b>Page</b>
General Service .....	2-1
Irrigation .....	3-1
Other .....	6-1
Residential Service.....	1-1
Street Lighting Service .....	4-1
Transmission Service .....	5-1

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**Guarantees as an Alternate Form of Security  
for Residential Customers  
Application to Amend Electric Tariff**

---

---

**Appendix B**

**Electric Tariff Amendments**

**Clean**

---

## TABLE OF CONTENTS

### Terms and Conditions

---

<b>1.</b>	<b>Interpretation and Definitions .....</b>	<b>1-1</b>
1.1	Interpretation .....	1-1
1.1.1	Conflicts.....	1-1
1.1.2	Statutes .....	1-1
1.1.3	Technical Terms .....	1-1
1.1.4	Including .....	1-1
1.2	Definitions .....	1-1
1.3	Map of Rate Zones.....	1-8
<b>2.</b>	<b>Application for Service and Service Agreement.....</b>	<b>2-1</b>
2.1	Application for Service and Service Agreement.....	2-1
2.2	Electric Tariff Supplements.....	2-1
2.3	Commencement and Term of Service .....	2-1
2.4	Refusal to Provide Service and Termination by BC Hydro.....	2-2
2.5	No Assignment.....	2-2
2.6	Security for Payment of Bills.....	2-2
2.6.1	Security for Payment of Bills .....	2-2
2.6.2	Pay As You Go Billing.....	2-3
2.6.3	Security .....	2-3
2.6.4	Application and Return of Security.....	2-3
2.7	Termination of Service by Customer .....	2-4
2.8	No Release of Customer Obligations .....	2-5
2.9	Customer Request for Disconnection .....	2-5
2.10	Re-Application for Service .....	2-5
<b>3.</b>	<b>Provision of Electricity .....</b>	<b>3-1</b>
3.1	New and Replacement Service Connections.....	3-1
3.2	Number of Service Connections .....	3-1
3.3	Premises Previously Connected.....	3-1

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Table of Contents – Revision 1

Effective:

Page ii

---

3.4	Premises Not Previously Connected .....	3-1
3.5	Temporary Service .....	3-2
3.6	Service Voltage and Number of Phases .....	3-2
3.7	Civil Work and Structures on Private Property .....	3-2
3.8	Electrical Facilities on Private Property.....	3-2
3.9	Primary Loop Service Connection .....	3-3
3.10	Care of BC Hydro Equipment .....	3-3
3.11	Service Upgrades.....	3-3
	3.11.1 Service Connection Upgrades .....	3-3
	3.11.2 Transformer Upgrades.....	3-3
	3.11.3 Upgrades Must Comply with Standards.....	3-4
3.12	Transformation on Private Property (All Rate Zones) .....	3-4
3.13	Connection and Disconnection Work.....	3-4
3.14	Service Connection Charges .....	3-4
<b>4.</b>	<b>Metering.....</b>	<b>4-1</b>
4.1	Meter Installation .....	4-1
4.2	Meter Equipment and Location.....	4-1
	4.2.1 Meter Types.....	4-1
	4.2.2 Conditions for Retention or Installation of Legacy Meters and Radio off Meters .....	4-2
	4.2.3 Periods during which Legacy Meters May Remain in Place .....	4-2
	4.2.4 Periods during which Radio-off Meters May Remain in Place .....	4-4
	4.2.5 Legacy Meter and Radio-off Meter Charges .....	4-5
4.3	Meter Testing .....	4-5
4.4	Metering of Multiple Occupancy Buildings .....	4-6
	4.4.1 Multiple Occupancy Buildings - Residential Units .....	4-6
	4.4.2 Multiple Occupancy Buildings – Non-Residential Units .....	4-6
<b>5.</b>	<b>Meter Reading and Billing .....</b>	<b>5-1</b>
5.1	Meter Reading.....	5-1
5.2	Billing .....	5-1
	5.2.1 Regular Billing .....	5-1
	5.2.2 Change in Rate Schedule.....	5-2

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Table of Contents – Revision 1

Effective:

Page iii

---

5.3	Payment of Bills .....	5-2
5.4	Billing of Fractional Demand.....	5-2
5.5	Waiver of Minimum Charges .....	5-2
5.6	Monthly Equal Payments.....	5-3
5.7	Back-Billing .....	5-4
<b>6.</b>	<b>Rates and Charges .....</b>	<b>6-1</b>
6.1	Rates.....	6-1
6.1.1	Application of Rate Schedules .....	6-1
6.1.2	Eligibility of Farms for Residential Service .....	6-1
6.1.3	General Service Election – Residential Customers .....	6-2
6.1.4	General Service Election – Irrigation Customers.....	6-2
6.2	Use of Electricity .....	6-2
6.3	Late Payment Charge .....	6-2
6.4	Returned Payment Charge.....	6-3
6.5	Account Charge .....	6-3
6.6	Call Back Charges.....	6-3
6.6.1	Service Connection Call Back Charge .....	6-3
6.6.2	Failed Installation Charge .....	6-4
6.7	Minimum Reconnection Charge .....	6-4
6.8	Taxes and Levies .....	6-4
<b>7.</b>	<b>Load Changes and Operation .....</b>	<b>7-1</b>
7.1	Increases in Electrical Load.....	7-1
7.2	Power Factor Requirements.....	7-1
7.2.1	Lighting.....	7-1
7.2.2	Requirements for Lagging Power Factor.....	7-1
7.2.3	Failure to Comply with Power Factor Requirements .....	7-2
7.3	Disturbing Use.....	7-2
<b>8.</b>	<b>Distribution Extensions – 35 kV or Less .....</b>	<b>8-1</b>
8.1	General Terms .....	8-1
8.2	Types of Distribution Extensions .....	8-1
8.3	Extension Fee for Rate Zone I.....	8-1

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

**BC Hydro**

Table of Contents – Revision 1

Effective:

Page iv

---

8.4	Guarantee .....	8-3
8.5	Refund of Extension Fee for Rate Zone I (Excluding Subdivisions) .....	8-3
8.5.1	Extension Fee \$5,000 or Less .....	8-3
8.5.2	Extension Fee Greater Than \$5,000 .....	8-4
8.6	Distribution Extensions Serving Subdivisions for Rate Zone I .....	8-4
8.6.1	Non-Residential Subdivisions .....	8-4
8.6.2	Residential Subdivisions .....	8-5
8.7	Extensions for Rate Zone IB and Rate Zone II .....	8-5
8.8	Uneconomic Extension Fund .....	8-5
8.9	Distribution Extensions on Private Property (All Rate Zones) .....	8-7
8.10	Distribution Extensions on Private Property Constructed by BC Hydro (All Rate Zones) .....	8-7
8.11	Distribution Extensions on Private Property Constructed by the Customer (All Rate Zones) .....	8-8
<b>9.</b>	<b>General Provisions .....</b>	<b>9-1</b>
9.1	Resale of Electricity .....	9-1
9.2	Rental Premises Agreements .....	9-1
9.3	Access to Premises .....	9-1
9.4	Interruption of Service .....	9-2
9.5	Liability of BC Hydro .....	9-2
9.6	Liability of Other Utilities .....	9-3
9.7	Generating Facility Connections (Distributed Generation) .....	9-3
<b>10.</b>	<b>Rate Zone IB and Rate Zone II .....</b>	<b>10-1</b>
10.1	Special Terms Applicable to Supply in Rate Zone IB and Rate Zone II .....	10-1
10.2	BC Hydro Contribution to Costs to Serve Customers in Rate Zone IB and Rate Zone II Districts .....	10-2
<b>11.</b>	<b>Schedule of Standard Charges .....</b>	<b>11-1</b>
11.1	Minimum Connection Charges – Rate Zone I .....	11-1
11.2	Additional Meter Charges .....	11-1
11.3	Minimum Reconnection Charges .....	11-2
11.4	Miscellaneous Standard Charges .....	11-3

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

## BC Hydro

Table of Contents – Revision 1

Effective:

Page v

### Rate Schedules

	RS No.	Page
<b>1. Residential Service</b>		
Residential Service	1101	1-1
	1121	
Residential Service – Dual Fuel (Closed)	1105	1-4
Residential Service – Zone II	1107	1-6
	1127	
Residential Service – Zone II (Closed)	1148	1-8
Exempt Residential Service	1151	1-9
	1161	
<b>2. General Service</b>		
Exempt General Service (35 kW and Over)	1200	2-1
	1201	
	1210	
	1211	
General Service – Dual Fuel (Closed)	1205	2-4
	1206	
	1207	
Small General Service (Under 35 KW) – Zone II	1234	2-10
Distribution Service – IPP Station Service	1253	2-13
General Service (35 KW and Over) – Zone II	1255	2-15
	1256	
	1265	
	1266	
Distribution Service – IPP Distribution	1268	2-17
Transportation Access		
Power Service (Closed)	1278	2-19
Shore Power Service (Distribution)	1280	2-21

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

**BC Hydro**

Table of Contents – Revision 1

Effective:

Page vi

	<b>RS No.</b>	<b>Page</b>
Small General Service (Under 35 kW)	1300 1301 1310 1311	2-23
Medium General Service (35 kW or Greater and Less Than 150 kW)	1500 1501 1510 1511	2-27
Large General Service (150 kW and Over)	1600 1601 1610 1611	2-31
<b>3. Irrigation</b>		
Irrigation Service	1401	3-1
<b>4. Street Lighting Service</b>		
Overhead Street Lighting	1701	4-1
Public Area Ornamental Street Lighting	1702	4-4
Street Lighting Service	1703	4-8
Traffic Control Equipment	1704	4-11
Private Outdoor Lighting (Closed)	1755	4-13
<b>5. Transmission Service</b>		
Transmission Service – Stepped Rate	1823	5-1
Transmission Service – Time-of-Use (TOU) Rate	1825	5-6
Transmission Service – Rate for Exempt Customers	1827	5-11
Transmission Service – Modified Demand	1852	5-13
Transmission Service – IPP Station Service	1853	5-17
Transmission Service – Standby and Maintenance Supply	1880	5-19
Transmission Service – Shore Power Service	1891	5-23
Transmission Service – Freshet Energy	1892	5-25
Transmission Service – FortisBC Inc.	3808	5-32

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

# BC Hydro

Table of Contents – Revision 1

Effective:

Page vii

---

	<b>RS No.</b>	<b>Page</b>
Wheeling Service – FortisBC Inc.	3817	5-36
<b>6. Other</b>		
Net Metering Service	1289	6-1
Deferral Account Rate Rider	1901	6-11

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

---

**1. INTERPRETATION AND DEFINITIONS**

**1.1 Interpretation**

**1.1.1 Conflicts**

To the extent these Terms and Conditions conflict with any applicable Rate Schedule or Electric Tariff Supplement, the terms or conditions provided in such Rate Schedule or Electric Tariff Supplement will prevail. To the extent that an applicable Rate Schedule conflicts with an applicable Electric Tariff Supplement, the terms or conditions provided in the Electric Tariff Supplement will prevail.

**1.1.2 Statutes**

References to statutes in the Electric Tariff will include the statute and regulations issued pursuant to it, as amended and in force from time to time, and any superseding statute or regulation.

**1.1.3 Technical Terms**

Technical or industry-specific phrases, units of measure or words not otherwise defined in the Electric Tariff have the well-known meaning given to those terms in the electrical industry.

**1.1.4 Including**

In the Electric Tariff, the word “including” will in all cases be deemed to mean “including without limitation”, unless otherwise expressly provided.

**1.2 Definitions**

Unless the context otherwise requires, in the Electric Tariff the following words have the meanings set out below and alternate forms of the same words have corresponding meanings.

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 1 – Revision 1  
Effective:

Page 1-2

<b>BC Hydro</b>	British Columbia Hydro and Power Authority.
<b>BC Hydro- Owned Street Lighting Service</b>	Service for lighting of public highways, streets, lanes and other similar public applications and displays, or for lighting of private property, where BC Hydro owns, installs and maintains the fixtures, conductors, controls and poles.
<b>Billing Demand</b>	Maximum Demand or, where permitted by the applicable Rate Schedule, estimated Demand, used to determine Demand charges under a Rate Schedule.
<b>Customer</b>	<p>Any Person whose application for Service has been accepted by BC Hydro or, in the absence of such an application, the Person with possession of the Premises to which Service is provided or the Owner or such other Person designated as the Customer pursuant to the Electric Tariff. If a Customer receives Service at more than one Premises, such Customer will be considered a separate Customer for each Premises.</p> <p>BC Hydro will determine the number of Premises for the purpose of this definition.</p>
<b>Customer- Owned Street Lighting Service</b>	Service for lighting of public highways, streets, lanes, traffic signals, traffic signs and other similar public applications and displays where the Customer owns, installs and maintains the fixtures, conductors and controls.
<b>Demand</b>	The rate at which electric energy is used in any instant or averaged over any designated period of time, measured in kilowatts ( <b>kW</b> ) or kilovolt amperes ( <b>kVA</b> ).
<b>Disconnection</b>	A physical deactivation of a Service Connection, including through removal of Metering Equipment and / or other BC Hydro equipment used to provide Service, regardless of duration.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 1 – Revision 1  
Effective:

Page 1-3

<b>Dwelling</b>	A building or part of a building comprising private living quarters and containing sleeping quarters, a kitchen and bathroom, and in which the occupants have free access to all rooms, or alternative living quarters acceptable to BC Hydro, and including single-family homes, apartments, townhouses, row-houses and duplexes.
<b>Electric Tariff</b>	These Terms and Conditions, the Rate Schedules and all Electric Tariff Supplements.
<b>Electric Tariff Supplement</b>	A form of agreement for Service entered into by a Customer and BC Hydro pursuant to section 2.2 (Electric Tariff Supplements) of these Terms and Conditions, as filed with the British Columbia Utilities Commission from time to time.
<b>Electricity</b>	Both Demand and Energy or either, as the context requires.
<b>Energy</b>	Electric consumption, measured in kilowatt hours ( <b>kWh</b> ).
<b>Estimated Construction Cost</b>	The cost estimated by BC Hydro to construct an Extension, a Service Connection or Optional Facilities pursuant to section 8.3 (Extension Fee for Rate Zone I), as the context requires.
<b>Extension</b>	An addition to or an increase in the capacity of BC Hydro's distribution system required to meet new or increased Service requirements, but excluding Service Connections.
<b>Extension Fee</b>	A contribution-in-aid of construction of an Extension, calculated as set out in section 8.3 (Extension Fee for Rate Zone I).
<b>Financing Agreement</b>	An agreement under which BC Hydro provides financing to a Customer for improving the energy efficiency of a Premises.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 1 – Revision 1  
Effective:

Page 1-4

<p><b>General Service</b></p>	<p>Service for business, commercial, institutional or industrial use, including use in nursing homes, boarding houses, rooming houses, common areas of multiple occupancy buildings, recreational establishments, marinas and yacht clubs, hotels, motels, mobile home parks and similar establishments or parts thereof, or for any other use not specifically provided for in the Electric Tariff.</p> <p>For greater certainty, General Service is not available for use in circumstances where Transmission Service or Street Lighting Service is available for use, and is available as an alternative to Residential Service only in the circumstances described in section 6.1.3 (General Service Election – Residential Customers) and as an alternative to Irrigation Service only in the circumstances described in section 6.1.4 (General Service Election – Irrigation Customers).</p>
<p><b>Guarantor</b></p>	<p>A BC Hydro Customer who agrees to be responsible for another Customer's security deposit amount as required by section 2.6.3 (Security) and who meets BC Hydro's requirements for acting as a Guarantor.</p>
<p><b>Irrigation Service</b></p>	<p>Except where General Service is requested pursuant to section 6.1.4 (General Service Election – Irrigation Customers), Service for irrigation and outdoor sprinkling use where associated motor loads are 746 watts (<b>W</b>) or more.</p>
<p><b>Legacy Meter</b></p>	<p>An Electricity meter, other than a Smart Meter or a Radio-off Meter, that is of a type in use by BC Hydro.</p>
<p><b>Maximum Demand</b></p>	<p>The highest Demand averaged over a time interval of not more than 32 consecutive minutes that is registered during a specified period by a meter with Demand measurement capability.</p>
<p><b>Metering Equipment</b></p>	<p>An assembly of metering and ancillary equipment, including one or more Legacy Meters, Radio-off Meters and / or Smart Meters, auxiliary control units, cabling, communication links, range extenders and any other devices owned and used by BC Hydro in connection with metering Electricity for a Premises, providing remote access to the metered data and / or monitoring the condition of the installed equipment, as applicable.</p>

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 1 – Revision 1  
Effective:

Page 1-5

<b>Month</b>	A period of from 27 to 33 consecutive days.
<b>Owner</b>	The legal or beneficial owner(s) of a building or Premises or an agent or other authorized representative of such owner(s), such as a property manager, strata corporation or developer, as the context requires.
<b>Permanent Service</b>	Service that is not Temporary Service.
<b>Person</b>	A natural person, partnership, corporation, society, unincorporated entity or body politic.
<b>Point of Delivery</b>	The location at which the Service Connection is connected to the Metering Equipment or the Customer's electrical facilities, whichever comes first.
<b>Power Factor</b>	The ratio determined by the following formula and based on monthly measurements of kilowatt hours ( <b>kWh</b> ) and lagging kilovolt-ampere reactive hours ( <b>kVarh</b> ) or at BC Hydro's discretion by random checks from time to time.  $\text{Power Factor} = \frac{kWh}{\sqrt{kWh^2 + kVarh^2}}$
<b>Premises</b>	A building, a separate unit of a building, a Dwelling or machinery, together with the surrounding land.
<b>Primary Voltage</b>	A voltage of 750 volts ( <b>V</b> ) or more measured phase to phase.
<b>Radio-off Meter</b>	A Smart Meter adjusted so that the meter's components that transmit and receive data by radio are deactivated.
<b>Rate Schedule</b>	A schedule that sets out rates for Service and other terms and conditions, as filed with the British Columbia Utilities Commission from time to time.
<b>Rate Zone I</b>	All distribution areas served by BC Hydro within the limits from time to time outlined in Rate Map A included in these Terms and Conditions, as well as the Districts of Kingsgate-Yahk and Lardeau-Shutty Bench.
<b>Rate Zone IB</b>	Bella Bella.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 1 – Revision 1  
Effective:

Page 1-6

<b>Rate Zone II</b>	Anahim Lake, Atlin, Bella Coola, Dease Lake, Elhlateese, Fort Ware, Good Hope Lake, Haida Gwaii, Hartley Bay, Jade City, Telegraph Creek District, Toad River and Tsay Keh Dene.
<b>Residential Service</b>	Except as otherwise provided in section 6.1.3 (General Service Election – Residential Customers), Service for use: <ol style="list-style-type: none"> <li>1. In Dwellings, including Dwellings where a portion is used to carry on a business;</li> <li>2. In the common areas of multiple occupancy buildings if such common areas are used only for the common benefit of Dwellings in that building; and</li> <li>3. At farms, in the circumstances described in section 6.1.2 (Eligibility of Farms for Residential Service).</li> </ol>
<b>Secondary Voltage</b>	A voltage of less than 750 volts (V) measured phase to phase.
<b>Service</b>	The provision by BC Hydro of Electricity to a Premises.
<b>Service Agreement</b>	The agreement setting out the rights and responsibilities of BC Hydro and a Customer for Service, including the application for Service accepted by BC Hydro (if any), all applicable provisions of the Terms and Conditions and applicable Rate Schedule(s), and any additional terms and conditions of Service as agreed by BC Hydro and the Customer in an Electric Tariff Supplement or otherwise.
<b>Service Connection</b>	That part of the BC Hydro distribution system extending between a Point of Delivery and the first point of attachment to the rest of the BC Hydro distribution system.
<b>Smart Meter</b>	An Electricity meter that: <ol style="list-style-type: none"> <li>1. Meets the requirements set out in section 2 of the <i>Smart Meters and Smart Grid Regulation</i>, B.C. Reg. 368/2010, and</li> <li>2. Has components that transmit data by radio and those components are activated.</li> </ol>

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Terms and Conditions, Section 1 – Revision 1  
Effective:

<b>Street Lighting Service</b>	BC Hydro-Owned Street Lighting Service or Customer-Owned Street Lighting Service or both, as the context requires.
<b>System Improvement Costs</b>	The incremental cost of work on BC Hydro's distribution system, including substations, attributed to new or increased Service requirements, as estimated by BC Hydro.
<b>Temporary Service</b>	Service that will or, in BC Hydro's determination, is likely to be taken temporarily.
<b>Termination</b>	Cessation of Service to a Premises under any applicable Rate Schedule(s) or termination of the Service Agreement with a Customer, as the context requires.
<b>Terms and Conditions</b>	These terms and conditions of Service, as filed with the British Columbia Utilities Commission from time to time.
<b>Transformation</b>	The transformation of Primary Voltage to Secondary Voltage, including all associated labour, equipment and materials.
<b>Transmission Service</b>	Service for commercial, industrial and institutional Customers, provided at 60 kilovolts ( <b>kV</b> ) or more.
<b>Two Months</b>	A period of from 54 to 66 consecutive days.

ACCEPTED: \_\_\_\_\_

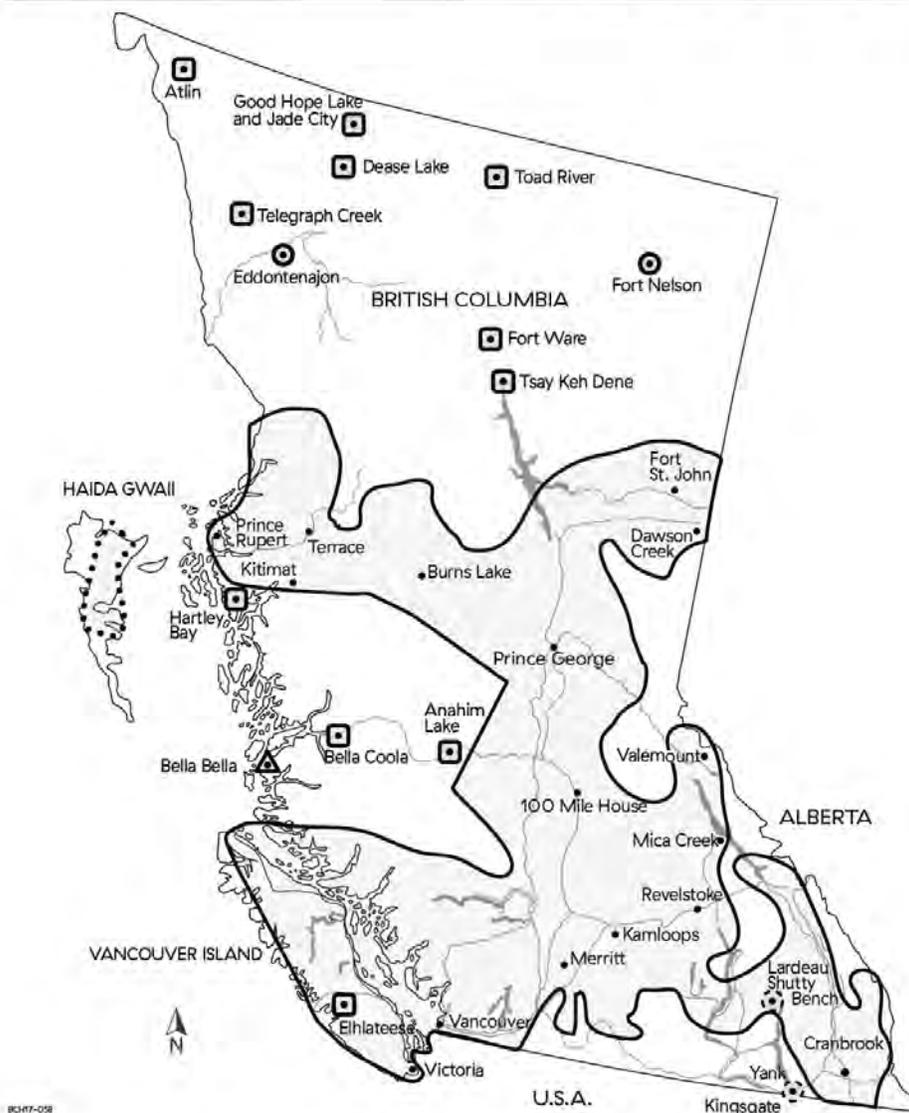
ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**1.3 Map of Rate Zones**

**Rate map**  
RATE ZONE LIMITS

ZONE I	ZONE IB	ZONE II
— Integrated Service Area Districts of: ● Fort Nelson ● Eddontenajon ● Kingsgate – Yahk ● Lardeau – Shutty Bench	District of: ▲ Bella Bella	Districts of: ●●●● Haida Gwaii ■ Anahim Lake ■ Atlin ■ Bella Coola ■ Dease Lake ■ Elhlateese ■ Fort Ware ■ Good Hope Lake ■ Hartley Bay ■ Jade City ■ Telegraph Creek ■ Toad River ■ Tsay Keh Dene



ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

---

## **2. APPLICATION FOR SERVICE AND SERVICE AGREEMENT**

### **2.1 Application for Service and Service Agreement**

A Person requesting new or modified Service must apply to BC Hydro online at [www.bchydro.com](http://www.bchydro.com), by telephone, or in person. Applicants may be required to complete and sign an application and agreement for Service in the form provided by BC Hydro and to provide information and identification acceptable to BC Hydro.

BC Hydro may refuse to accept an application for Service for any of the reasons listed in section 2.4 (BC Hydro Refusal to Provide Service and Termination).

The Service Agreement between a Customer and BC Hydro will comprise, to the extent applicable, the application for Service, as accepted by BC Hydro, the provisions of the Terms and Conditions and Rate Schedules, and any additional terms and conditions of Service agreed by BC Hydro and the Customer in an Electric Tariff Supplement or otherwise.

### **2.2 Electric Tariff Supplements**

BC Hydro may provide Service under an Electric Tariff Supplement, subject to filing it with the British Columbia Utilities Commission.

### **2.3 Commencement and Term of Service**

Except as otherwise provided in the Service Agreement, a Person becomes a Customer and Service commences when:

1. BC Hydro connects or re-connects the Premises to BC Hydro's electrical system; or
2. The Person's right to possession of the Premises commences,

whichever is later and regardless of whether such Person has completed and signed an application or any contract for Service, and Service will continue until Terminated by BC Hydro or the Customer.

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

## BC Hydro

Terms and Conditions, Section 2 – Revision 1  
Effective:

Page 2-2

---

### 2.4 Refusal to Provide Service and Termination by BC Hydro

BC Hydro may, without liability of any kind, refuse to provide Service to any Person or may without notice Terminate Service to any Customer (whether by Disconnection or otherwise) who:

1. Fails to pay for Service;
2. Fails to pay an amount due as a result of that Customer acting as a Guarantor for another BC Hydro Customer under section 2.6.3 (Security);
3. Fails to apply for Service or fails to provide information or identification acceptable to BC Hydro when applying for Service or at any subsequent time on request by BC Hydro;
4. Occupies the Premises with another occupant who has an amount outstanding under a Service Agreement or Financing Agreement in respect of the current Premises or another Premises previously occupied by the Person or Customer and such other occupant at the same time;
5. Fails to provide access as required by section 9.3 (Access to Premises);
6. Fails to pay any amount owing under a Financing Agreement; or
7. Otherwise fails to comply with the Service Agreement.

### 2.5 No Assignment

A Customer may not assign a Service Agreement to another Person.

### 2.6 Security for Payment of Bills

#### 2.6.1 Security for Payment of Bills

An applicant for Service who has not established credit satisfactory to BC Hydro will be required to:

1. Provide security in accordance with section 2.6.3 (Security), or
2. Participate in Pay As You Go Billing as set out in section 2.6.2 (Pay As You Go Billing), with no security.

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

## BC Hydro

Terms and Conditions, Section 2 – Revision 1  
Effective:

Page 2-3

---

A Customer who has not maintained credit satisfactory to BC Hydro will be required to provide security or to increase the amount of existing security in accordance with section 2.6.3 (Security).

### 2.6.2 Pay As You Go Billing

Customers participating in Pay As You Go Billing will be billed by BC Hydro at the beginning of each month based either on an estimated average monthly bill or one-twelfth of the estimated annual bill for Service, subject to amendment by BC Hydro from time to time. Pay As You Go bills have the same force and effect as bills based on actual meter readings and must be paid in accordance with section 5.3 (Payment of Bills).

Any Customer participating in Pay As You Go Billing who has paid in full all amounts when due during the immediately preceding year may terminate Pay As You Go Billing and elect any other billing option then available to that Customer under the Service Agreement.

### 2.6.3 Security

The amount of security required will in each case be determined by BC Hydro in its discretion based on factors such as Energy consumption at the Premises and Customer account and credit history, provided that the security required by BC Hydro will not in any case exceed:

1. If the account is billed monthly, two times the average monthly bill of the Customer or, in the case of an applicant, two times the estimated average monthly bill;
2. If the account is billed bi-monthly, three times the average monthly bill of the Customer or, in the case of an applicant, three times the estimated average monthly bill; or

This security obligation may be satisfied by providing to BC Hydro a security deposit or, for a Customer taking Residential Service, a guarantee from a Guarantor. A security deposit must be in the form of cash or an equivalent form of security acceptable to BC Hydro and a guarantee must be in a form acceptable to BC Hydro.

### 2.6.4 Application and Return of Security

1. A security deposit may be returned to the Customer, or in the case of a guarantee provided by a Guarantor cancelled, at any time if, according to the records of BC Hydro, the Customer has at all times during the immediately preceding one year period maintained an account with BC Hydro and paid in full all amounts when due in accordance with the Service Agreement.

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

## BC Hydro

Terms and Conditions, Section 2 – Revision 1  
Effective:

Page 2-4

- 
2. BC Hydro may apply the whole or any part of the Customer's security deposit and earned interest, if any, toward payment of any amount not paid by the Customer to BC Hydro on the due date shown on the bill. No application of the security deposit under this section will restrict BC Hydro's right to Terminate Service for the Customer's failure to pay for Service. The Customer will promptly replenish the security deposit upon request by BC Hydro.
  3. A cash security deposit and interest, if any, may be applied by BC Hydro in whole or in part toward payment of the final bill of the Customer on the billing date of the final bill.
  4. A security deposit in a form other than cash may be applied by BC Hydro in whole or in part toward payment of the final bill of the Customer if all amounts owing are not paid on the due date shown on the bill.
  5. If a Customer's account is closed and a guarantee has been provided, BC Hydro may transfer to the Guarantor's account any outstanding balance, up to the maximum amounts specified in section 2.6.3 (Security), within one year of the date on which the account was closed.
  6. Any part of a security deposit, including interest, if any, on a cash security deposit, that has not been applied in accordance with this section will be refunded or returned to the Customer.
  7. BC Hydro will pay interest on cash security deposits at a rate equal to BC Hydro's weighted average cost of debt, calculated for BC Hydro's most recent fiscal year.
  8. Payment of interest on a cash security deposit held by BC Hydro will be made in the form of a credit to the Customer's account each time the account is billed or added to the amount of the cash deposit when a refund is made as provided in paragraph 5 above.
  9. BC Hydro will not pay interest on security deposits held by it in a form other than cash.
  10. No interest will accrue on any security deposit after the billing date of the final bill for the account secured by the deposit.

### 2.7 Termination of Service by Customer

Except as otherwise provided in the Service Agreement, a Customer may Terminate Service by giving to BC Hydro at least 24 hours' notice. The Customer continues to be subject to all

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

## BC Hydro

Terms and Conditions, Section 2 – Revision 1  
Effective:

Page 2-5

applicable terms and conditions of the Service Agreement, including the obligation to pay for all Electricity provided to the Premises and all damage to and loss of wires, Metering Equipment or other apparatus of BC Hydro until the Termination date specified in the notice or 24 hours after BC Hydro receives such notice, whichever is later.

In cases where the Customer is a tenant and fails to provide notice of Termination in accordance with this section, the Owner will, pursuant to section 2.3 (Commencement and Term of Service) but subject to the terms of any rental premises agreement in effect pursuant to section 9.2 (Rental Premises Agreements), become the new Customer for the Premises on the day that its right to possession of the Premises commences and therefore assume responsibility for payment of Electricity used on the Premises from that date.

### **2.8 No Release of Customer Obligations**

No Termination of Service will release a Customer from any previously existing obligations to BC Hydro under a Service Agreement or Financing Agreement or any other agreement with BC Hydro.

### **2.9 Customer Request for Disconnection**

Upon receipt of a Customer request, BC Hydro will Disconnect the Customer's Premises. The Customer will be responsible to pay for all Electricity used at the Premises until Disconnection in accordance with this section, unless Service is earlier Terminated by either the Customer or BC Hydro.

### **2.10 Re-Application for Service**

Where a Customer Terminates Service to a Premises and that Person, or a co-occupant, representative or agent of that Person, applies for Service to the same Premises within 12 months of such Termination on the same Rate Schedule as previously applied, and regardless of whether Disconnection occurred, the applicant will pay the sum of:

1. The greater of the Minimum Reconnection Charge, as set out in section 11.3 (Minimum Reconnection Charges), or BC Hydro's estimated cost to restore Service; and
2. The sum of the minimum charges the Customer would have paid between the time of Termination and the time that Service is restored, under this section.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

---

## INDEX

### Terms and Conditions

---

	<b>Page</b>
Access to Premises.....	9-1
Account Charge .....	6-3
Additional Meter Charges .....	11-1
Application and Return of Security .....	2-3
Application for Service and Service Agreement.....	2-1
Application of Rate Schedules.....	6-1
Back-Billing .....	5-4
BC Hydro Contribution to Costs to Serve Customers in Rate Zone IB and Rate Zone II Districts .....	10-2
Billing .....	5-1
Billing of Fractional Demand.....	5-2
Call Back Charges.....	6-3
Care of BC Hydro Equipment .....	3-3
Change in Rate Schedule.....	5-2
Civil Work and Structures on Private Property.....	3-2
Commencement and Term of Service .....	2-1
Conditions for Retention or Installation of Legacy Meters and Radio off Meters .....	4-2
Conflicts .....	1-1
Connection and Disconnection Work.....	3-4
Customer Request for Disconnection .....	2-5
Definitions .....	1-1
Distribution Extensions – 35 kV or Less .....	8-1
Distribution Extensions on Private Property (All Rate Zones) .....	8-7
Distribution Extensions on Private Property Constructed by BC Hydro (All Rate Zones).....	8-7
Distribution Extensions on Private Property Constructed by the Customer (All Rate Zones).....	8-8
Distribution Extensions Serving Subdivisions for Rate Zone I.....	8-4
Disturbing Use.....	7-2
Electric Tariff Supplements.....	2-1

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**  
Index – Revision 1

Effective:

Page ii

---

Electrical Facilities on Private Property.....	3-2
Eligibility of Farms for Residential Service.....	6-1
Extension Fee \$5,000 or Less.....	8-3
Extension Fee for Rate Zone I.....	8-1
Extension Fee Greater Than \$5,000.....	8-4
Extensions for Rate Zone IB and Rate Zone II.....	8-5
Failed Installation Charge.....	6-4
Failure to Comply with Power Factor Requirements.....	7-2
General Provisions.....	9-1
General Service Election – Irrigation Customers.....	6-2
General Service Election – Residential Customers.....	6-2
General Terms.....	8-1
Generating Facility Connections (Distributed Generation).....	9-3
Guarantee.....	8-3
Including.....	1-1
Increases in Electrical Load.....	7-1
Interpretation.....	1-1
Interpretation and Definitions.....	1-1
Interruption of Service.....	9-2
Late Payment Charge.....	6-2
Legacy Meter and Radio-off Meter Charges.....	4-5
Liability of BC Hydro.....	9-2
Liability of Other Utilities.....	9-3
Lighting.....	7-1
Load Changes and Operation.....	7-1
Map of Rate Zones.....	1-8
Meter Equipment and Location.....	4-1
Meter Installation.....	4-1
Meter Reading.....	5-1
Meter Reading and Billing.....	5-1
Meter Testing.....	4-5
Meter Types.....	4-1
Metering.....	4-1
Metering of Multiple Occupancy Buildings.....	4-6
Minimum Connection Charges – Rate Zone I.....	11-1
Minimum Reconnection Charge.....	6-4

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**  
Index – Revision 1

Effective:

Page iii

---

Minimum Reconnection Charges.....	11-2
Miscellaneous Standard Charges.....	11-3
Monthly Equal Payments.....	5-3
Multiple Occupancy Buildings - Non-Residential Units .....	4-6
Multiple Occupancy Buildings - Residential Units .....	4-6
New and Replacement Service Connections.....	3-1
No Assignment.....	2-2
No Release of Customer Obligations .....	2-5
Non-Residential Subdivisions.....	8-4
Number of Service Connections.....	3-1
Pay As You Go Billing .....	2-3
Payment of Bills .....	5-2
Periods during which Legacy Meters May Remain in Place.....	4-2
Periods during which Radio-off Meters May Remain in Place.....	4-4
Power Factor Requirements.....	7-1
Premises Not Previously Connected .....	3-1
Premises Previously Connected.....	3-1
Primary Loop Service Connection .....	3-3
Provision of Electricity .....	3-1
Rate Zone IB and Rate Zone II.....	10-1
Rates.....	6-1
Rates and Charges .....	6-1
Re-Application for Service.....	2-5
Refund of Extension Fee for Rate Zone I (Excluding Subdivisions).....	8-3
Refusal to Provide Service and Termination by BC Hydro.....	2-2
Regular Billing.....	5-1
Rental Premises Agreements.....	9-1
Requirements for Lagging Power Factor .....	7-1
Resale of Electricity.....	9-1
Residential Subdivisions .....	8-5
Returned Payment Charge.....	6-3
Schedule of Standard Charges.....	11-1
Security.....	2-3
Security for Payment of Bills.....	2-2
Service Connection Call Back Charge.....	6-3
Service Connection Charges.....	3-4

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

Effective:

Page iv

---

Service Connection Upgrades .....	3-3
Service Upgrades .....	3-3
Service Voltage and Number of Phases .....	3-2
Special Terms Applicable to Supply in Rate Zone IB and Rate Zone II.....	10-1
Statutes .....	1-1
Taxes and Levies .....	6-4
Technical Terms .....	1-1
Temporary Service .....	3-2
Termination of Service by Customer .....	2-4
Transformation on Private Property (All Rate Zones) .....	3-4
Transformer Upgrades .....	3-3
Types of Distribution Extensions .....	8-1
Uneconomic Extension Fund.....	8-5
Upgrades Must Comply with Standards.....	3-4
Use of Electricity .....	6-2
Waiver of Minimum Charges .....	5-2

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

Effective:

Page v

---

## Rate Schedules

---

	<b>Page</b>
General Service .....	2-1
Irrigation .....	3-1
Other .....	6-1
Residential Service.....	1-1
Street Lighting Service .....	4-1
Transmission Service .....	5-1

---

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**Guarantees as an Alternate Form of Security  
for Residential Customers  
Application to Amend Electric Tariff**

---

---

**Appendix C**

**Feedback**

**2015 Rate Design Application - Module 2**  
**Commission Staff feedback**  
**Re: BC Hydro's proposal for Guarantees as an Alternative Form of Security for Residential Accounts**

---

*Disclaimer*

*Commission Staff's attendance at BC Hydro's pre-application workshops is to provide information on regulatory or procedural matters to increase regulatory efficiency and effectiveness. Any guidance, identification of concerns or any other information provided by staff is non-binding on the Commission. Commission staff attendance at the meeting cannot be claimed as an endorsement for an application filed with the Commission, or for positions taken by the applicant.*

---

- Has BC Hydro conducted any research into other utilities in other jurisdictions who have similar or other alternatives to assessing security deposits? What issues have they encountered?
- It is unclear to Commission staff how many customers may be affected by security deposits, the potential uptake of the proposal, and the internal costs necessary to administer the proposed changes. In the Workshop, BC Hydro has also indicated that it would have administrative savings by avoiding the need to send accounts to collection agencies and assess deposits and calculate interests on those deposits. Has BC Hydro considered a pilot program in which it would test the proposed concept for 1-2 years? (Potentially a report could be provided to the Commission at the end of the pilot term and an assessment will be made on its cost/benefits and any unintended consequences.)
- In consideration of the “cap” on the guarantor’s liability, would BC Hydro consider a dollar cap as opposed to the maximum of 3X the customer’s average monthly bill? Should BC Hydro consider the potential for the average monthly bill / usage to be different depending on who bears the ultimate risk for the account (guarantor situation versus security deposit? Would BC Hydro consider limiting the liability to the guarantor to the same amount as the size of the security deposit that would be required from the customer?
- Has BC Hydro considered “verbally” discussing the terms of the guarantor responsibilities in addition to relying on a signature? Would this extra step of communication be worthwhile to ensuring that the guarantor understands its potential liabilities?



Reply to: Erin Pritchard  
 epritchard@bcpiac.com  
 Ph: 604-687-3044

Our file: 7649

February 2, 2017

**VIA EMAIL:**  
**bhydroregulatorygroup@bhydro.com**

BC Hydro Regulatory Group  
 333 Dunsmuir Street, 16th Floor  
 Vancouver, BC, V6B 5R3

**Re: BC Hydro Rate Design Application – Module 2  
 Guarantees for Residential Accounts**

We continue to represent the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, Tenant Resource and Advisory Centre, Together Against Poverty Society, and the BC Poverty Reduction Coalition, known in regulatory processes as "BCOAPO *et al.*", and represented these groups in Module 1 of BC Hydro's 2015 Rate Design Application. BCOAPO represents the interests of low and fixed income residential ratepayers in BC. We write to provide comments on BC Hydro's proposal for "Guarantees as an Alternate Form of Security for Residential Accounts", as was requested at the Rate Design Application – Module 2 Workshop on January 16, 2017.

BCOAPO is supportive of amending the Electric Tariff to allow the option of a BC Hydro customer acting as guarantor for another customer taking residential service, in lieu of the latter providing a security deposit. We are supportive of the proposed Tariff changes required to implement this option.

BCOAPO accepts BC Hydro's proposal that guarantors should be "[a]nother BC Hydro customer that can demonstrate sufficient creditworthiness to mitigate the additional liability of the non-paying customer," as set out in the Workshop presentation. This would include a residential or general service customer, and an individual or group that has a BC Hydro account (including community organizations).

In terms of process, it is important that call centre staff be trained to proactively offer the option of having another account holder act as guarantor, rather than simply making that option available if the customer requests it. The availability of the guarantor option should not depend on the customer being independently aware of its existence. BC Hydro indicated during the Oral Hearing for Module 1 that providing the guarantor option

upfront would be its intent,<sup>1</sup> and also appeared to suggest that was the case at the Workshop.

BCOAPO has reviewed BCSEA's letter of January 18, 2017 (the "January 18<sup>th</sup> Letter") regarding the guarantor option, and agrees with BCSEA's comments regarding BC Hydro's "Conceptual Business Process" and what happens to the status of the account of the defaulting customer when the guarantee is exercised (BCSEA's January 18<sup>th</sup> Letter, p. 2).

BC Hydro requested input on specific considerations, which we provide below.

### **1. What are the limits on liability to the guarantor?**

In its Final Argument in Module 1, BCOAPO stated that a guarantee should be limited to the amount that the security deposit otherwise would have been, given that this is what the guarantee is intended to replace.<sup>2</sup> BCSEA's January 18<sup>th</sup> Letter supports this approach as well.

BCOAPO notes that such a limit provides clarity for guarantors. We also note that it would be administratively straightforward given that BC Hydro already has a process in place for determining the amount for a security deposit. Further, this approach would result in equal treatment in terms of the amount of security regardless of whether the account holder provides a security deposit or has another customer provide a guarantee. It would be unduly onerous to require guarantors to guarantee the complete bill of an account holder.

### **2. What are the conditions under which the guarantee would be cancelled?**

BCOAPO agrees with the proposed process and conditions that BCSEA sets out in its January 18<sup>th</sup> Letter regarding the conditions under which the guarantee would be cancelled, including the need to clarify both early and natural termination.

At the workshop, BC Hydro confirmed that if a guarantor wants to remove themselves from that role, BC Hydro would assess at that time whether a security deposit or guarantor is still required. However, if guarantees are to be revocable, BCOAPO notes

---

<sup>1</sup> Transcript Volume 6, p. 1009, lines 17-26; 1010, line 1.

<sup>2</sup> BCOAPO September 26<sup>th</sup> Final Argument, p. 90.

that BC Hydro should set out exactly how that works, and how the account holder is notified if this occurs.

**3. Should there be a limit on the number of guarantees a customer could provide?**

BCOAPO does not see a need to have an official limit on this. We see no reason why the credit assessment of a customer serving as a guarantor cannot be extended to an assessment for serving as guarantor for more than one customer. This is especially so in the case of organizational guarantors who may have both the financial capacity and the desire to provide this form of assistance to members of their constituency.

It would be preferable if community organizations and individuals are able to serve as guarantor for multiple customer accounts – for example, a First Nations housing authority acting as a guarantor for multiple First Nations clients on reserve.

One benefit of providing the option of offering a guarantor in lieu of a security deposit is to alleviate the financial hardship on individual customers. Another benefit, however, is to allow an individual or organization providing assistance to a customer who is unable to pay a security deposit to stretch its assistance further – rather than having to post a cash security deposit, an agency could use fewer dollars to fund a guarantor fund.

Sincerely,

**BC PUBLIC INTEREST ADVOCACY CENTRE**

Erin Pritchard & Michael Seaborn  
Staff Lawyers

# William J. Andrews

## Barrister & Solicitor

1958 Parkside Lane, North Vancouver, BC, Canada, V7G 1X5  
Phone: 604-924-0921, Fax: 604-924-0918, Email: wjandrews@shaw.ca

January 18, 2017

BC Hydro Regulatory Group  
By email: bhydroregulatorygroup@bchydro.com

Dear Sir or Madam:

Re: Attention RDA – Module 2  
Guarantees for Residential Accounts  
BC Sustainable Energy Association and Sierra Club BC Comments

---

These are BCSEA-SCBC's comments regarding "Guarantees as an Alternate Form of Security for Residential Accounts," presented by Jeff Hardman and Daren Sanders in the January 16, 2017 workshop.<sup>1</sup>

1. BCSEA-SCBC agree with BC Hydro's point that "A guarantee is a more practical solution than a surety,"<sup>2</sup> for the reasons set out by BC Hydro.
2. Regarding 'who can be a Guarantor,' BCSEA-SCBC agree with BC Hydro's proposal that the Guarantor should be "Another BC Hydro customer that can demonstrate sufficient creditworthiness to mitigate the additional liability of the non-paying customer."<sup>3</sup> This would include a residential or general service customer, and an individual or any entity that has a BC Hydro account, including but not limited to a community organization.
3. Regarding "Conceptual Business Process,"<sup>4</sup> BCSEA-SCBC support in general BC Hydro's proposals on page 28. Some specific comments:
  - a. BCSEA-SCBC support the concept mentioned orally during the workshop that the customer would submit an application that would include consent to the guarantor having access to the customer's account information on BC Hydro's website. Access by the guarantor to information on the payment status of the account would presumably contribute to other customers being more willing to be a guarantor, it would allow the guarantor to be in a position to intercede with the customer in the event of payment problems, and it would reduce the possibility of conflicts if and when the guarantee is exercised due to the guarantor being taken by surprise.
  - b. The Conceptual Business Process should include an application by the customer.
  - c. Consideration could be given to the same rules applying to termination of the guarantee as apply to the return of a security deposit.
4. BCSEA-SCBC agree with the proposed tariff changes<sup>5</sup> required to implement the guarantor concept.

---

<sup>1</sup> For reference, the presentation materials begin at pdf p.24 of the January 16, 2017 workshop materials.

<sup>2</sup> Presentation, pdf p.26.

<sup>3</sup> Presentation, pdf p.27.

<sup>4</sup> Presentation, pdf p.28.

- a. Consideration could be given to what happens to the status of the account of the defaulting customer when the guarantee is exercised. Presumably the transfer of the amount from the defaulting customer's account to the guarantor's account reduces the outstanding balance in the defaulting customer's account (to zero if the size of the guarantee is sufficient to cover entire balance). Acknowledging that the defaulting customer's account is closed (a precondition for exercising the guarantee), the financial status of the closed account will presumably affect the ex-customer's ability to obtain a new account from BC Hydro in the future. It should be determined in advance as a business practice if not in the tariff whether the ex-customer's closed account is marked as 'paid' or as having some sort of payment risk flag.
5. Regarding limits on liability of the guarantor,<sup>6</sup> as stated during the workshop, BCSEA-SCBC's view is that (a) there should be a dollar cap on the amount of the guarantee (so as not to discourage potential guarantors, and to prevent conflicts if and when the guarantee is exercised), and (b) consideration should be given to having the size of the cap on the guarantee be the same as the size of security deposit for which the guarantee is a substitute.
  6. Regarding the conditions under which the guarantee would be cancelled:
    - a. The examples in the presentation appear to be limited to early termination of the guarantee. The circumstances in which the guarantee terminates naturally also need to be defined. Both early and natural termination need to be defined, and there are significantly different options. Key factors include
      - i. whether the guarantee is revocable or irrevocable,
      - ii. whether the guarantee has a fixed term (e.g., one year or two years) or is indefinite (corresponding to the term under which a security deposit can be held<sup>7</sup>)
      - iii. achieving an appropriate balance between the terms and conditions of the guarantee being palatable to would-be guarantors and meeting BC Hydro's risk reduction objectives.
    - b. It may be useful to consider first how the guarantee will terminate in the simplest natural course of events (e.g., both customers stay customers, the customer-beneficiary makes all payments, the guarantee is not realized upon), before addressing exceptions such as the guarantor ceasing to be a BC Hydro customer.
    - c. While the notion of making the guarantee as close as possible a perfect substitute for a security deposit is attractive, if this means that the guarantee would have to continue indefinitely and irrevocably then perhaps the parallel with a security deposit needs to be relaxed in order for the guarantee to be an effective tool.

---

<sup>5</sup> Presentation, pdf p.29.

<sup>6</sup> Presentation, pdf p.30.

<sup>7</sup> It is understood that there are situations in which the return of a security deposit is delayed because of payment problems falling short of BC Hydro closing the account and claiming the security deposit; but this may not be accurate.

- d. As BC Hydro already knows, input from would-be guarantors would be very helpful because at best we're speculating about what would appeal to or dissuade would-be guarantors.
  - e. On the assumption that would-be guarantors would put a high value on (a) simplicity, (b) upfront visibility into financial exposure, and (c) certainty of the term (duration) of the guarantee, one approach would be to make the guarantee irrevocable but for a fixed term (e.g., one year or two years). This would require defining the process for determining what happens when the guarantee comes to the end of its term. E.g., perhaps BC Hydro no longer requires financial security (whether security deposit or guarantee). If BC Hydro does require renewed financial security, then BC Hydro could require the customer-beneficiary to provide a security deposit or a new guarantee.
  - f. Regarding a scenario in which the customer-guarantor ceases to be a BC Hydro customer, BCSEA-SCBC would favour a practical and palatable approach in which the guarantee terminates if and when the customer-guarantor ceases to be a customer, at which point BC Hydro would revisit with the customer-beneficiary whether replacement security is required.<sup>8</sup>
  - g. As a matter of both legal drafting and 'full disclosure' the form signed by the guarantor should state very clearly all the pertinent terms of the guarantee (as distinct from referring to information on a website), including the maximum financial commitment, the duration, whether the guarantee is irrevocable, and if it is revocable the limitations on when revocation can occur.<sup>9</sup>
7. A distinction should be made between the guarantee being 'cancelled' (or terminated) by the customer-guarantor and the guarantee being rejected as security, or being determined to be insufficient security, by BC Hydro. For example, what should happen if the "guarantor's creditworthiness deteriorates,"<sup>10</sup> does not directly engage the terms of the guarantee. Rather, it concerns BC Hydro's relationship with the customer-beneficiary and whether BC Hydro wants to (or is allowed) to require the customer-beneficiary to provide additional security over and above the existing guarantee. In this respect, a deterioration in the creditworthiness of the customer-guarantor is an instance of a change in BC Hydro's risk profile vis-à-vis the customer-beneficiary, another example of which would be that the customer-beneficiary's actual consumption proves to be higher than the estimate on which the guarantee (or security deposit) was based. Additional comments:

---

<sup>8</sup> A 'hard ball' approach would be to define in advance that in this scenario BC Hydro would have the right to require the customer-beneficiary to replace the security (with a security deposit or another guarantee) and if that did not occur then to realize on the guarantee to effectively turn it into a security deposit returnable to the ex-customer-guarantor.

<sup>9</sup> If the guarantee is revocable then presumably it could only be revoked if the customer-beneficiary's account is in good standing, otherwise the guarantee would have little value. Having to define how and in what circumstances the guarantee could be revoked (by the guarantor) would be complicated and points toward the advantage of making the guarantee irrevocable but of a limited duration.

<sup>10</sup> Presentation, pdf p.30.

- a. BCSEA-SCBC are not opposed to BC Hydro being in a legal position to take steps to reduce its financial exposure.
  - b. That said, BC Hydro ‘canceling’ the guarantee would, in and of itself, actually increase BC Hydro’s financial risk (because the customer-guarantor might have honoured the guarantee if called upon to do so despite the deterioration in its creditworthiness.)
  - c. It should be noted that the customer-beneficiary may well be in good standing even when the creditworthiness of the guarantor declines. Triggering a requirement that the customer-beneficiary provide a security deposit (or obtain another guarantee) could destabilize the financial situation of the customer and inadvertently increase BC Hydro’s risk.
  - d. In defining the circumstances in which the guarantee can’t be relied upon because of the guarantor’s financial situation or behaviour, it seems that it would be difficult or unlikely that that BC Hydro would become aware of a customer-guarantor’s creditworthiness declining in the absence of objective events such as the customer-guarantor missing a payment. It might be simpler to define it according to the status of the guarantor’s account with BC Hydro (e.g., in default) rather than a credit score.
  - e. That said, presumably the intention here is to prevent, or improve BC Hydro’s position to respond to, a situation in which both the customer-beneficiary and the customer-guarantor fail to make payments to BC Hydro in more or less the same timeframe. This would seem like a remote possibility unless there was collusion between beneficiary and the guarantor. In general, the primary bulwark against this undesired scenario is the criteria for approval of the customer-guarantor as a guarantor. One approach would be to tightened the criteria for acceptance of a guarantor based on ‘lessons learned’ if it turns out there are examples both the customer-beneficiary and the customer-guarantor defaulting.
8. Regarding a “limit on the number of guarantees a customer could provide,”<sup>11</sup> BCSEA-SCBC see this as coming within the topic of BC Hydro’s screening of a potential guarantor for financial ability to make good on the proposed guarantee(s) if it comes to that. BC Hydro will presumably assess the proposed customer-guarantor’s suitability against the size of the guarantee, which (it is suggested) would correspond to the size of the security deposit, which in turn relates to the customer-beneficiary’s estimated monthly billings, which could vary different from one customer-beneficiary to another.<sup>12</sup>

---

<sup>11</sup> Presentation, pdf p.30.

<sup>12</sup> While much of the discussion about security deposits and guarantees as a substitute has been in the context of low-income and financially challenged customers, security deposits and the possibility of guarantees as a substitute are also applicable to new customers with large anticipated billings (e.g., a newly built house where the customer doesn’t have an existing account in his or her name) and ample financial means. Granted, the Commission’s decision on the RDA Phase One application may allow BC Hydro more flexibility regarding the size of security deposits.

- a. Generally, the issue will hinge on the total size of the guarantees in relation to the customer-guarantor's creditworthiness.
  - b. As hopefully an extremely unlikely exception, theoretically BC Hydro should have the ability to decline to take a guarantee from a customer who was trying to make a business of providing guarantees. On that extremely remote point, consideration could be given to specifying in the application forms that the guarantor is not entitled to be paid by the customer-beneficiary for providing the guarantee.
9. BCSEA-SCBC support moving toward a guarantee being available as an alternative to a security deposit. The comments above are suggestions, not fixed positions.

Yours truly,  
William J. Andrews



Barrister & Solicitor

---

**From:** Fred Weisberg <fredweislaw@gmail.com>  
**Sent:** 2017, January 30 10:00 PM  
**To:** BC Hydro, Regulatory Grp  
**Cc:** Fred Weisberg  
**Subject:** Attention RDA - Module 2 - NIARG Comments re: Guarantees as an Alternate Form of Security for Residential Accounts

The Non-Integrated Areas Ratepayers Group (“NIARG”) offers feedback regarding Guarantees as an Alternate Form of Security for Residential Accounts as follows:

- NIARG supports BC Hydro’s objective of avoiding a requirement to initiate a legal action to recover a debt over \$300, by rejecting the “surety” option in favour of a simpler and less expensive payment guarantee. (PowerPointSlide 26)
- NIARG finds it helpful that the definition of a BC Hydro customer qualifying to provide a payment guarantee will include community organizations but believes it would be helpful to expressly provide more examples of a qualifying "community organization" (e.g. a church. etc.) both to assist customers seeking a guarantor to understand who they might approach and to provide greater certainty as to what type of organizations will qualify. (PowerPointSlide 27)
- NIARG encourages the option of providing the possibility that agreements with the Ministry of Social Development and Innovation (MSDSI) or other social assistance programs may provide sufficient assurance of payment to allow waiver of a security deposit without requiring the use of a guarantor. To assist customers seeking a guarantor to understand which social assistance programs may qualify, BC Hydro should publish a list of qualifying social assistance programs as well as the corresponding criteria for each program. To the extent practicable, the same criteria should apply to each social assistance program. Such criteria appear to be required as the Workshop materials indicate social assistance programs *may* not will allow a waiver of a security deposit without the use of a guarantor. (PowerPointSlide 27)
- NIARG supports the concept of transferring the guaranteed balance of a closed account directly to the guarantor, without involving a collection agency. That approach is likely to avoid unnecessary expense for BC Hydro, and lessen distress for the customer and/or guarantor. (PowerPointSlide 27)
- As suggested by counsel for BCSEA, there should be a cap on the maximum guarantee amount. Without a reasonable and foreseeable limit on the payment exposure, it may be very difficult to

find guarantors willing to accept an unlimited risk. NIARG considers capping a guarantee at a maximum amount equal to the maximum amount of a security deposit, with such maximum determined in the same way. NIARG understands that BC Hydro already has a process in place for determining the amount of a security deposit. To make the cap and the underlying guarantee as effective as possible, the guarantor should be directly notified of the customer's account balance every month, thus enabling the guarantor to monitor the possible exposure and assist the customer in other ways if possible. (PowerPointSlide 30)

- NIARG believes that a guarantee should be cancelled by BC Hydro only if the guarantor's creditworthiness deteriorates to an unacceptable level. Alternative thresholds, such as ceasing to be a BC Hydro customer, lack a sufficient nexus to the essential quality of being able to make the guaranteed payment. For example, an individual guarantor might get married or move in with someone and thus no longer need to have their own BC Hydro account, yet such changes would not necessarily have any impact on their ability to pay a guaranteed amount. As another example, a community organization guarantor might cease to be a BC Hydro customer due to an organizational change (e.g. a different entity becoming responsible for the BC Hydro account) yet the guarantor's ability to pay a guaranteed amount may remain unchanged. (PowerPointSlide 30)
- NIARG suggests that creditworthiness should be the only limit on the number of guarantees provided by a single guarantor. (PowerPointSlide 30)
- NIARG supports the concept of making payment guarantees a permanent change to the use of security deposits, subject to a Report to the Commission and parties after one year to identify changes or refinements that may be required. (PowerPointSlide 30)
- NIARG supports the balance of the approach to guarantees outlined in the January 16, 2017 Workshop materials.

Please contact the writer if you require any clarification of the foregoing.

We assume that the Meeting Notes from the January 16 Workshop have not yet been distributed, but in the event they have been please resend them to us. Thank you.

Regards,  
Fred J. Weisberg  
Barrister & Solicitor  
Weisberg Law Corporation  
Direct: 604 980 4069

The information transmitted is intended only for the addressee and may contain confidential, proprietary and/or privileged material. Any unauthorized review, distribution or other use of or the taking of any action in reliance

upon this information is prohibited. If you receive this in error, please contact the sender at (604) 980 - 4069 and delete or destroy this message and any copies. Email transmission cannot be guaranteed to be secure or error free as information could be intercepted, corrupted, lost, destroyed, arrive late, incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this message which arise as a result of email transmission. If verification is required please request a hard copy.

February 8, 2017

BC Hydro – Regulatory Group  
Attention RDA – Module 2  
16<sup>th</sup> Floor, 333 Dunsmuir Street  
Vancouver, BC  
V6B 5R3

VIA EMAIL  
bchydroregulatorygroup@bchydro.com

Dear Sirs/Mesdames:

**RE: RDA Module 2 - Feedback on guarantees  
Zone II Ratepayers Group (ZonellRPG)**

We recently attended BC Hydro's Workshop No. 1 on January 16, 2017 where information was presented on "Guarantees as an Alternate Form of Security for Residential Accounts" by Jeff Hardman and Daren Sanders.

ZonellRPG supports BC Hydro developing a payment guarantee option and commends BC Hydro providing additional financial support options for its low-income customers. In response to BC Hydro's proposal, ZonellRPG has a few comments/questions regarding its implementation.

1. BC Hydro indicates on page 27 of the presentation material that "*Agreements with the Ministry of Social Development and Social Innovation (MSDSI) or other social assistance programs may provide sufficient assurance of payment to allow waiver of a security deposit without requiring use of a guarantor.*" ZonellRPG would like to confirm that "*other social assistance programs*" also includes First Nation bands and/or INAC. As well, ZonellRPG requests an update from BC Hydro on the schedule for implementing these agreements.
2. Will First Nation bands be recognized as an eligible guarantor provided the band demonstrates sufficient creditworthiness or a payment history?

For Tsay Keh Dene Nation, the band pays all the electricity bills and is faced with providing security deposits for new residents or occupants. This is an unnecessary requirement and an administrative burden on both parties.

For Kwadacha Nation, guarantees may have limited benefits at this time.

3. ZonellIRPG supports applying limits on the guarantor's liability in part to encourage guarantors to sign up. For simplicity and ease of administration, this amount should be a total amount based on total dollars guaranteed or customers and there should be a specified term limit for guarantees. The limits on guarantees should reflect the circumstances of the individual guarantors. There is also a diversification of risk as indicated by the information provided by BC Hydro on the percentage of deposits called on historically.
4. In addition to be provided with access to customer's accounts online and copies of any dunning notices as proposed by BC Hydro, guarantors should also be provided with ongoing compiled reports on their guarantees so they are aware of the electricity bills and bill payment activities.
5. ZonellIRPG agrees with BC Hydro's conditions under which the guarantee would be cancelled; guarantor ceases to be a customer or its creditworthiness deteriorates or if the account has been paid on-time for 2 years. If a guarantee is cancelled and a security deposit is still necessary, the customer should have the option of establishing another guarantor and be provided with sufficient transition time to do so.
6. ZonellIRPG does not support a cap on the number of guarantees a customer could provide. Instead the creditworthiness of the guarantor should determine whether it can support the number of guarantees requested.

Sincerely,



Representing Zone II Ratepayers Group