



# BC Hydro's Customer Crisis Fund Pilot Program

## Frequently Asked Questions

### **What is the Customer Emergency Fund/Customer Crisis Fund?**

BC Hydro's Customer Crisis Fund (which was referred to as the Customer Emergency Fund in BCUC processes) is a pilot program that offers financial relief to residential customers who are experiencing a temporary financial crisis, such as a loss of employment or benefit income, unanticipated medical expenses, or a death in the family, and are falling behind on paying their BC Hydro bills. The pilot program is running until 2021.

### **Who is funding the program?**

Starting June 1, 2018, residential customers will see a charge of \$0.0082 per day (approximately \$0.25 per month) on their BC Hydro bill, which is how the program is funded. Only residential customers will pay into the Customer Crisis Fund as only residential customers are eligible to apply to receive a grant from the fund.

### **Under what authority was the Customer Crisis Fund established?**

The BCUC sets rates such as this one under sections 59-61 of the *Utilities Commission Act*.

### **Will my money end up going to BC Hydro's shareholders, or being used for other projects?**

The money collected in the Customer Crisis Fund is reported separately from BC Hydro's other collections and is used only to grant funds to eligible customers and to offset BC Hydro's set-up and annual operating costs for the pilot.

### **If the program is discontinued after the pilot, where will the excess money that has been collected go?**

The net difference between the revenues collected in the Customer Crisis Fund and the incremental costs related to the pilot in each fiscal year will be transferred into a regulatory account. Any remaining balance in the account at the end of the pilot would be returned to residential ratepayers. This will ensure that residential ratepayers only pay the actual net Customer Crisis Fund costs.

### **Where did the program originate/how was it approved?**

In the BCUC's review of BC Hydro's 2015 **Rate Design Application**, the British Columbia Old Age Pensioners' Organization (BCOAPO), a ratepayer group that represents various residential and low-income customers, requested the implementation of strategies to assist low-income ratepayers with rising electricity rates. That phase of the review was extensive and included input from 36 organizations representing low and fixed income customers, environmental interests groups, commercial users and industrial customers. 41 letters of comment were submitted by individuals in the review process. In its final decision, the BCUC ordered BC Hydro to file a separate application to establish the program on a pilot basis.

In July 2017, BC Hydro filed an application for the establishment of the **Customer Emergency Fund Pilot Program**. The BCUC established an open and transparent review process for the review of the application. In addition to BC Hydro, seven registered interveners representing a range of interests participated in the public review process. All proceeding documents are available on the proceeding page [here](#). The BCUC approved the program for a period of three years and set program reporting requirements for BC Hydro by **Order G-166-17**.

### **Who decides if an applicant receives a grant?**

The program is administered by BC Hydro. By managing the pilot program internally, BC Hydro will gain firsthand knowledge about what works well and what doesn't for both BC Hydro and its customers.

### **Can I opt out of paying into this fund? I don't believe I'll ever use it.**

The new charge is applicable to all residential customers; there is no opt out option in the pilot program.

### **How was \$0.25 per month decided?**

In BC Hydro's 2015 Rate Design Application proceeding, BCOAPO, an organization that represents various residential and low-income customers, proposed that \$0.25 per month be collected from all customers during the course of the pilot program. The BCUC established that only those eligible to apply to use the fund should contribute to it. The \$0.25 per month fee to be collected from residential customers is a very small amount against the typical average monthly BC Hydro bill of \$106.95. On average, \$0.25 represents approximately one quarter of 1 percent of an average bill, which is considered a modest residential monthly surcharge.

### How much does the program give back?

If an application is successful, BC Hydro will apply a grant amount equal to the customer's amount owing directly to their BC Hydro account. The maximum a customer can receive is \$600 for electrically heated homes, or up to \$500 for non-electrically heated homes. The total grant applied depends on the amount owing.

### What are the eligibility criteria?

A residential account holder can apply to receive a grant from the Customer Crisis Fund if they've experienced a life event within the last 12 months that caused a temporary financial crisis, and are facing disconnection due to arrears of \$1,000 or less. Full eligibility criteria is available on BC Hydro's [website](#).

### How much money will BC Hydro collect in this fund?

The Customer Crisis Fund is reported separately from BC Hydro's other collections and is used only to grant funds to eligible customers and offset BC Hydro's set-up and annual operating costs for the pilot.

When applied to all residential accounts, the \$0.25 per month charge per BC Hydro account will result in annual Customer Crisis Fund collection of approximately \$5.3 million.

### What happens next?

As directed in BCUC **Order G-166-17**, BC Hydro will file an evaluation report at the close of the second year of the pilot program on the costs, benefits and participation levels. The BCUC will then conduct an open and transparent review, in which we will invite the public and interested parties to participate, before deciding if whether or not the fund will continue.

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At the BCUC, our role is to find a balance between the needs of ratepayers and the needs of the organizations we regulate.

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