

# BC Hydro Rate Design Application - Module 2

## Stakeholder Meeting – Kwadacha Council

Summary

26 October 2016

2:30 PM TO 3:30 PM

Kwadacha Nation Office, Prince George

|                           |  |
|---------------------------|--|
| <b>TYPE OF MEETING</b>    | Stakeholder Meeting  |
| <b>FACILITATOR</b>        | Shane Hiebert and Daren Sanders  |
| <b>PARTICIPANTS</b>       | Chief and Council, Kwadacha First Nation   |
| <b>BC HYDRO ATTENDEES</b> | Daren Sanders, Manager, Customer Service Operations<br>Shane Hiebert, Senior Regulatory Advisor, Regulatory & Rates Group<br>Eva Hoffman Elofir, Relationship Manager, Customer Service<br>Darin Thompson, Director, Regional Operations<br>Sandy Reid, Manager, Non-Integrated Area Operations<br>Lindsay Thompson, North Regional Manager<br>Rian Hill, Manager, Northern Environment<br>Carolyn Stock, Aboriginal Relations<br>Lisa Whitney, Aboriginal Relations |
| <b>AGENDA</b>             | <ol style="list-style-type: none"> <li>1. Presentation and Input Sought - BC Hydro RDA, Rate Structures, Electricity Consumption and Customer Characteristics</li> <li>2. Presentation and Input Sought - Terms and Conditions of Service, proposed changes to Standard Charges and Customer Service Commitments</li> <li>3. Next steps</li> </ol>   |

| MEETING MINUTES  |  |
|--|--|
| <b>ABBREVIATIONS</b>   | INAC ..... Indigenous and Northern Affairs Canada<br>NIA ..... Non-Integrated Areas; BC Hydro's service territories not connected to BC Hydro's ..... integrated electrical system<br>RDA ..... Rate Design Application<br>RIB ..... Residential Inclining Block rate<br>Zone I ... Rate zone that applies to all customers on BC Hydro's Integrated System<br>Zone II.. Rate zone that applies to all Non-Integrated Area customers except for Bella Bella ..... District (Zone IB) |
| <b>1. PRESENTATION AND INPUT SOUGHT - BC HYDRO RDA, RATE STRUCTURES, ELECTRICITY CONSUMPTION AND CUSTOMER CHARACTERISTICS</b>  |  |
| <u>Introduction</u>  |  |
| <p>BC Hydro explained that the presentation is meant to be a primer, covering a wide range of information and topic areas related to BC Hydro's current Rate Design Application (Module 2). BC Hydro emphasized that it wants to hear input on what areas or information Kwadacha thinks is particularly relevant or helpful to explore in BC Hydro's review of Non-Integrated Area Rate Structures and Terms &amp; Conditions of service.</p>                               |  |
| <u>Rate Design Application and Rate Structures</u>   |  |
| <p>BC Hydro presented information on the Rate Design Application, the Non-Integrated Area and broad considerations that BC Hydro looks at when reviewing rate structures. BC Hydro then presented information on the Zone II rate structures and in particular, the components of the Zone II residential rate.</p>  |  |
| <p>Kwadacha responded by asking questions about how much electricity consumption was used by different appliance types over the current two month billing period. These questions were asked to better understand the overall impact on electricity use and billed electricity amounts and to better understand at what point consumption exceeds the monthly threshold of 1500 kWh (3000 kWh per 60 day period) between the first and second tier of the energy charge.</p> |  |

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### Community Electricity Use and Customer Characteristics

BC Hydro presented information comparing the current Zone II Residential Rate and the Zone I Residential Inclining Block (RIB) rate. BC Hydro explained that monthly differences in bill amounts differences are relatively small until monthly consumption approaches the 2000 kWh per month consumption level. It is also explained that between 1125 and 1700 kWh per month, Zone II customer bills are slightly lower than if customers were billed on the Zone I RIB rate. Beyond the 2000 kWh per month consumption level, bill amounts for Zone II residential customers start to become more expensive compared with the Zone I RIB rate.

BC Hydro then showed Kwadacha a profile of community electricity use covering the period April 2014 to March 2015, which showed that Kwadacha's electricity use was somewhat higher than the Zone II median customer. Kwadacha responded that the profile should be reduced. Most homes now have wood stoves for heat. 25 new woodstoves were installed last year prior to the 2015/2016 heating season, and a number were installed previous to that.

### Customer Characteristics

BC Hydro presented information from the 2012 Residential End Use Study comparing Zone II and Zone I customers. The results showed that most Zone II residential customers live in single detached and mobile homes whereas in Zone I, a majority of residential customers live in townhomes and apartments. As well, in Zone II, water heating is almost entirely heated by electricity whereas most Zone I customers heat water with natural gas. BC Hydro also noted that the number of residents per account is similar across both rate zones. As well, the percentage of customers using electricity for space heating was also similar.

Kwadacha responded that in their community, approximately 90% of homes have at least 4 residents. As well, hot water is the most energy intensive end-use in the community now that wood stoves are used for space heating.

Kwadacha also noted that INAC social assistance recipients receive less than provincial rates (\$235 per month for an individual) and suggested that this may be a consideration for the rate review.

## **2. PRESENTATION AND INPUT SOUGHT - TERMS AND CONDITIONS OF SERVICE, PROPOSED CHANGES TO STANDARD CHARGES AND CUSTOMER SERVICE COMMITMENTS**

### Terms and Conditions / Proposed Changes to Standard Charges

BC Hydro explained that the general Terms and Conditions for all customers were last reviewed in 2007 and that BC Hydro proposed a number of changes to make the wording easier to understand as well as updates to the standard charges. BC Hydro provided a table showing that most charges were unchanged or reduced.

### Customer Service Commitments

BC Hydro described the customer service commitments that BC Hydro made during the Rate Design Application Module 1 that are relevant to remote community customers, including a customer service presence in the Prince George office as well as considering improvements to customer service for remote community customers.

Kwadacha noted that Community Elders are starting to use phone banking and are learning to manage their BC Hydro accounts over the phone.

Kwadacha also commented that monthly billing (versus the current billing every two months) could make managing consumption and bill payment easier for residents as customers are more likely to pay a smaller bill more quickly.

## **3. NEXT STEPS**

Community Input - Kwadacha suggested that BC Hydro should come to talk to the community about the design of NIA rates, terms and conditions. BC Hydro committed to provide more information for their community.

Electricity Use – BC Hydro will provide Kwadacha with information on energy use/appliances. BC Hydro has provided a pamphlet to Kwadacha on appliance use, copies of which are on display at the Kwadacha Band Office and available to Fort Ware residents. BC Hydro also included a slide on electricity usage for different types of appliances in presentations to Kwadacha Elders and Community Members on January 31, 2017. This information is provided as Attachment A.

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Billing Frequency - BC Hydro and Kwadacha administration staff to hold further discussions to determine if monthly billing is appropriate for the community.

Feedback on Presentation – Kwadacha to provide additional feedback on the presentation, Zone II rates and terms and conditions. BC Hydro suggested that it would be good for Kwadacha to ask membership to answer to the questions in blue boxes on the bottom of the presentation within a month if possible.