

BC Hydro's Distribution/Extension Policy Workshop

Meeting Minutes

Victoria, BC

February 2, 2007

ATTENDEES

Name	Organization
Mark Jack	Ahousat Band
Pat Shannon	Bullock Baur
Dennis Desjardins	1 st Team Consulting
Lori Polukoshko	Applied Engineering Solutions Ltd
Rob Johnston	Focus Corporation
Elisabeth Nelson	Focus Corporation
Rick Lloyd	RCL Consulting Ltd
Bob Schelle	RFA Consulting Electrical Engineers
Steve Shambrook	Sun River Estates Ltd
Les Bjola	Turner Lane Development
Peter Stepaniuk	Turner Lane Development

BC HYDRO PROJECT TEAM

Name	Organization & Department
Fred James	BC Hydro
Milan Prpic	BC Hydro
Jane Christensen	BC Hydro

OTHER ATTENDEES - PRESENTERS OR OBSERVERS

Name	Organization & Department
Tom Burns	BC Hydro Field Operations
Richard Meiner	BC Hydro Field Operations

MEETING OBJECTIVES

The objectives that BC Hydro wanted to achieve through this meeting were to:

- Present the drivers for changes to the BC Hydro extension policy
- Summarize BC Hydro's experience with the existing policy
- Propose a straw model for a new policy
- Obtain comments from BC Hydro's stakeholders

Agenda

1. Welcome and Introductions
2. Regulatory Framework
3. Existing Extension Policy
4. Drivers for Change
5. Straw Model With Examples
6. Feedback

HANDOUTS PROVIDED AT THE MEETING

Paper copies of the following materials were distributed at the meeting.

Item	Description
Handouts - "BC Hydro Extension Policy Changes - Workshop for Lower Mainland Developers and Consultants" PowerPoint presentation	PowerPoint presentation

PRESENTATIONS DELIVERED AT THE MEETING

The following PowerPoint presentation was delivered during the meeting; paper copies were distributed at the meeting as indicated.

Item	Description
BC Hydro Extension Policy Changes	PowerPoint presentation

Summary

BC Hydro gave a presentation regarding its upcoming Rate Design Application, with a focus on its extension policy.

BC Hydro asked attendees to:

- Share their experiences with the existing policy
- Provide input into the formulation of a new policy

The topics covered included:

- Regulatory Framework
- Terminology
- Existing Extension Policy
- Drivers for Change
- Straw Model with Examples

Feedback:

Costs, Fees and Allowances:

- Comments from participants indicated that there would be benefit and an increased comfort level if BC Hydro were to provide them with a better understanding of construction costs.
- Developers would like supporting information provided outlining costs and offsets. Discussion indicated that detail resides in a “black box,” making it difficult for planners to provide information.
- Participants noted that delays in the process and the response from BC Hydro was often too long, which in turn impeded developers in providing better estimates to their customers.
- Developers may plan projects differently based on up-front knowledge of charges and allowances.
- Some participants suggested that costs should first be estimated and then reconciled to actual.
- Discussion on civil work indicated that although developers estimate and design, BC Hydro is required to review and provide input to the design for consideration of future growth.
- For projects with staged implementation, developers would like the ability to provide infrastructure framework for subsequent phases, but not take work to completion until such time as demand is present. Or any work done in the initial phase for future phases should be given consideration.

Pioneer Refund/Infill Rate:

- Some participants noted that the 5-year period was an issue, as it was too short for some development projects where infill is not expected for several years.
- Administrative challenges and refund initiation responsibility were discussed.
- Participant discussions advised of some municipal handling of phased developments by use of late-comer fees or a developer cost charge (DCC) and that BC Hydro should look into this type of model.
- Discussion indicated a desire to negotiate a purchase of pioneer rights up-front.
- Although the “extension to extension” was well received, some participants felt that if BC Hydro carried the first-in development, BC Hydro could then benefit from subsequent extensions to the original development. Again this could be done with late-comer fees or DCC.
- Infill refunds should be pro-rated based on distance of connection.

Treatment of Private Property:

- Some participants were receptive to the change allowing private property extension eligibility for offset allowance.

Conclusion:

- BC Hydro thanked the participants for the discussion and for providing input into its rate design process.
- The BC Hydro project team committed to circulate workshop notes to ensure, at a high level, the content of the discussion was captured.
- BC Hydro asked participants to complete a feedback form to allow further comments to be considered in BC Hydro's Rate Design Application.