

Rate Design Application Workshop for  
 BC Hydro's Large Commercial (> 35 kW) Customers  
 Meeting Minutes  
 SFU Harbour Centre, Vancouver, BC  
 January 29, 2007

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**ATTENDEES**

Name	Company	Name	Company
Dennis Fitzgerald	Catalyst Paper	Peter Laforest	GWL Realty Advisors Inc.
Wayne Brooks	Liquor Distribution Branch	Paul Whitehead	Chevron Canada Ltd
Ken Hebert	Pacific National Exhibition	David Procter	Vancouver Coastal Health
Kevin Kwok	City of Vancouver	Mauricio Acosta	Vancouver Coastal Health
Lynn Luong	Reliance Holdings Ltd	Phil Hogg	City of Richmond
Christina Jacob	GVRD	Gord Frederickson	City of Richmond
Dawn Surette	CREIT Management (B.C.) Limited	Don Wolanick	Talisman Energy
Jason Swetlikoff	Hydrogenics Test Systems Inc.	Dave Humber	West Fraser Mills
Jay Strachan	Langara College	Pierre Lamarche	Howe Sound Pulp & Paper Limited Partnership
Kees Wijsman	Electronics Arts Canada	Lloyd G. Guenther	LSM Consulting / JIESC
Bill Susak	Lonsdale Energy Corporation	Dave Newlands	Elk Valley Coal
Ben Themens	Lonsdale Energy Corporation	Jim Quail	BCPIAC
Colin Commandeur	Buzan Consultants	Leigha Worth	BCPIAC
Antonio Dal Sasso	Harbour Centre Complex Limited	Eileen Cheng	British Columbia Utilities Commission
Wayne Meger	Overwaitea Food Group	Brian Wallace	Bull, Houser & Tupper LLP (JIESC)
Rob Critchley	WorkSafe BC	Tom Loski	Terasen Gas Inc.
Herb Mussbacher	WorkSafe BC	Dave Pettula	Terasen Gas Inc.
Ian Harvey	Vancouver Board of Parks & Recreation	Stan Crocker	Terasen Gas Inc.
Dayton Lau	Village Farms Canada LP	William Andrews	BCSEA
Matt Boydston	Washington Marine Group	Fred Weisberg	Wiesberg Law Corporation
Jim Nealy	Vancouver Port Authority	Craig Widsten	Shearwater Marine Group
John Homolla	The Cadillac Fairview Corporation Ltd.	Ross Wilson	Heilstuk Nation
John Reed	Merlin Plastics	Penny Cochrane	Willis Energy Services
Frank Levenheck	Provincial Health Services Authority	Dan Potts	Joint Industry Electricity Steering Committee
Larry White	The Salvation Army	Chelsea D. Wilson	Lawson Lundell LLP
Mary-Margaret Gaye	BC Greenhouse Growers' Association	Christopher P. Weafer	Owen Bird Law Corporation

Rick Earle	City of Burnaby	Gordon Apperley	University of British Columbia
Charmaigne Pflugrath	City of Burnaby	Doug Smith	University of British Columbia
Lynne Pippus	BC Rapid Transit Company Ltd.	Gary Smith	Southern Railway of British Columbia
Rick Delorme	School District 42 Maple Ridge-Pitt Meadows	Susan Doig	Capilano College
John Arabsky	Parks Canada	Rhiannon Maberley	Aquilini Investment Group

## BC HYDRO PROJECT TEAM

Name	Organization & Department
Fred James	BC Hydro
Jane Christensen	BC Hydro
Basil Stumborg	BC Hydro
Allan Chung	BC Hydro
Susanne Lee	BC Hydro
Janet Stewart	BC Hydro
Virginia Le	BC Hydro

## OTHER ATTENDEES - PRESENTERS OR OBSERVERS

Name	Organization & Department
Christine Iamonaco-Dagg	BC Hydro
Krista Richmond	BC Hydro
Rick Unger	BC Hydro
Chris Roberts	BC Hydro
Dave Mosure	BC Hydro
Darren Richter	BC Hydro
Barbara Ritter	BC Hydro
Michelle Brenton	BC Hydro
Jennifer Ryan	BC Hydro
Annette Taylor	BC Hydro
Joanna Sofield	BC Hydro

## MEETING OBJECTIVES

The objectives for the meeting were for BC Hydro to present the drivers for changing the Large General Service Tariff, the general principles that utilities use in rate design, and several options for stakeholders to discuss.

## Agenda

### Day 1 - Thursday September 22

1. Introduction and Welcome
2. Objectives
3. Background
4. Current Large General Service Rate  
Rate Design Objectives
5. Rate Design Options
6. Feedback
7. Additional Rate Application Topics
8. Rebalancing  
E-Plus  
Distribution and Extension Policy
9. Next Steps

## HANDOUTS PROVIDED AT THE MEETING

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

Item	Description
F2008 Rate Design Application: Large Commercial Customer Rate Restructuring Workshop	A Power Point presentation describing the current Large General Service rate structure, the drivers for change, the principles for designing a new rate structure, and two options for discussion.
Feedback Form	A form that allows participants to take away the questions posed by BC Hydro during the meeting and answer them later if a) there was no time during the meeting, or b) participants wished to answer the questions once they had a chance to examine the two options presented in more detail.

## PRESENTATIONS DELIVERED AT THE MEETING

The following PowerPoint presentations were delivered during the meeting; paper copies of this were distributed at the meeting as indicated above.

Item	Description
F2008 Rate Design	A Powerpoint presentation describing the current Large General Service

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Application: Large Commercial Customer Rate Restructuring Workshop	rate structure, the drivers for change, the principles for designing a new rate structure, and two options for discussion.
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## **AGENDA ITEM #1 and 2 - Welcome and Introductions**

Basil Stumborg welcomed the group to the meeting. The objectives for the meeting were for BC Hydro to present the drivers for changing the Large General Service Tariff, the general principles that utilities use in rate design, and several options for stakeholders to discuss.

## **AGENDA ITEM #3 - 5 - Background, Current Rates, and Objectives**

Fred James and Jane Christensen presented material on the large general service class. The existing rate structures for other rate classes and for the Large General Service class were contrasted. It was noted that the Large General Service Class' rate was unique in that it has an inclining demand charge and a declining energy charge.

An emphasis was placed on the projected gap between supply and demand for energy and capacity in the province's future, and how appropriate price signals will play a key role in making supply meet demand.

## **AGENDA ITEM #6 - Rate Design Options**

Fred James and Jane Christensen walked through two examples of what rate flattening could look like. The objective was to let participants see how there are different ways to balance the competing rate design objectives, and that these different approaches have different impacts on different customers.

## **AGENDA ITEM #7 - Feedback**

Basil Stumborg led the group through a brief discussion around the two options put forward by BC Hydro. The group was asked think about the rate design principles presented, and asked, if they were BC Hydro, how they would weigh these.

The key issues raised were:

Some participants expressed concern that the efforts to send better price signals would be compounded by rate increases arising from future Revenue Requirement applications.

Other participants were also dismayed that this Rate Design Application was only the first in several over the next few years, since this might mean they would have to make several adjustments in the near future.

One participant felt that a rate structure that was biased towards energy charges would be preferred as energy was something that she her organization could control, but not demand.

## **AGENDA ITEM #9 - Additional Rate Application Topics**

**Rate Rebalancing** - Some participants expressed concern that rate rebalancing would be compounded by rate increases arising from future Revenue Requirement applications.

**E-Plus** - Some participants felt that this forum was not the most appropriate one to address this issue. However, several opinions were voiced on this issue.

There was no support for keeping the rate indefinitely, but little support for eliminating the rate immediately either. While participants saw the need to eliminate such a rate now that B.C. does not have a surplus of electricity, many voiced caution around the downside of acting too quickly, expressing concern about possible rate shock for individuals, and noted the relatively small impact in benefit it would have for the rest of the ratepayers. A concern was also raised that, if these customers did depend more on their secondary source of heat, whether this would contravene local regulations around fireplace use. It was noted that the existing back-up heating systems have been in place since at least 1990, and would likely have been grandfathered if new local regulations had been enacted in the interim.

The group had several suggestions:

A phase-out of the rate over a few years to allow customers to avoid large rate impacts.

Terminating the current policy of allowing the rate to carry over as properties are bought and sold, although it was noted that E-Plus properties sell at a premium to non-E-Plus properties because of the discounted rate for electric heating and terminating the current policy could reduce property values.

A buyout to compensate E-Plus customers for foregone benefits and to reduce the public resistance to this change.

**Distribution and Extension Policy** - The updates and changes to the distribution and extension policy were presented to the group. There was little comment or discussion arising from these proposed changes.

## **AGENDA ITEM #9 - NEXT STEPS**

The group was given a description of what would occur once the Rate Design Application was filed in March. Participants were encouraged to fill out a feedback form and/or send one in later to help BC Hydro shape its changes to the Large General Service Class.