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September 4, 2020

Ms. Marija Tresoglavic  
Acting Commission Secretary and Manager  
Regulatory Support  
British Columbia Utilities Commission  
Suite 410, 900 Howe Street  
Vancouver, BC V6Z 2N3

Dear Ms. Tresoglavic:

**RE: Project No. 1599030  
British Columbia Utilities Commission (BCUC or Commission)  
British Columbia Hydro and Power Authority (BC Hydro)  
Customer Crisis Fund (CCF) Evaluation Report  
Compliance with BCUC Order No. G-224-20  
Submission on Items Outlined in Appendix B**

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BC Hydro writes, in compliance with Order No. G-224-20, to respond to the BCUC's August 28, 2020 request for submissions to address the following items:

1.0 The jurisdiction of the BCUC to review the CCF Pilot Program in light of OIC 159.

**RESPONSE:**

**BC Hydro considers that the BCUC has the jurisdiction to review the CCF pilot program under section 24 of the *Utilities Commission Act*.**

**The CCF Pilot Program has a number of elements including, for example, the CCF Rate Rider, the CCF Regulatory Account and CCF Pilot Program eligibility criteria. Some of these elements are beyond the BCUC's jurisdiction to terminate or amend in consequence of Order in Council No. 159 (OIC 159).<sup>1</sup> A good example is the CCF Rate Rider.<sup>2</sup> However other elements such as the Electric Tariff provisions that allow CCF grants to be credited against customer bills are within the BCUC's jurisdiction to terminate or amend (section 1 Definition of the**

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1 Direction to the British Columbia Utilities Commission Respecting COVID-19 Relief, April 2, 2020.

2 Section 5 of OIC 159 states that: "*The commission may not exercise its powers under the Act to amend, cancel or suspend the customer crisis fund rate rider, except on application by the authority.*"

**Customer Crisis Fund, Customer Crisis Fund Grant, and Customer Crisis Fund Return; section 2.1 Application for Service and Service Agreement; and section 5.2.1 Regular Billing).**

**BC Hydro has not undertaken a comprehensive legal analysis of all CCF Pilot Program elements, but considers that any element of the CCF program that the BCUC was to change in consequence of a review should be the subject of a more in-depth legal review.**

- 2.0 Whether the BCUC should proceed with a review of the CCF Pilot Program based on the information contained in the CCF Evaluation Reports or whether the proceeding should be adjourned again.

**RESPONSE:**

**It seems that a review of the CCF Pilot Program would be in regard to either terminating the program, or extending it, subject to potential limitations on the BCUC's jurisdiction as noted above. For the reasons below, BC Hydro does not support a review of the CCF Pilot Program and submits that the program should be allowed to terminate on May 31, 2021.**

**With regard to extending the CCF Pilot Program, the evidence as set out in the Two-Year Evaluation Report is quite clear:**

***Accordingly, the evaluation of the pilot program indicates there are insufficient utility benefits to justify CCF on an economic or cost of service basis notwithstanding the potential societal benefits of the CCF (Appendix A – Exhibit B-5, page 3).***

**Since the CCF Pilot Program was legally justified on the basis that it might show utility benefits, and as those benefits have not materialized, BC Hydro does not believe there is a basis to extend the program under the current legislative framework.<sup>3</sup>**

**BC Hydro does acknowledge, however, that there are societal benefits to the CCF or similar program<sup>4</sup> and that there is strong public and customer**

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<sup>3</sup> A review of the Program to assess BC Hydro's conclusions set out in the Two-Year Evaluation Report would seem to be a poor use of resources given the costs of the Program, and the non-existent economic benefits as explained in section 3.10 of the Two-Year Evaluation – Appendix A.

<sup>4</sup> For example, 94 per cent and 92 per cent respectively of Year One CCF Grant Recipients indicated that without the grant payment, they would have gone without certain day-to-day necessities such as food and clothing. Further, 89 per cent indicated that without the grant they would have lost electricity, [page 44 – Year 1 Evaluation Report](#).

**support as discussed in the Two-Year Evaluation Report (Appendix A – Exhibit B-5, pages 52 to 55).**

**With regard to terminating the CCF Pilot Program, BC Hydro refers to BCUC Order No. G-166-17, which approved the contained program and included the following provision regarding its duration:**

***The CEF Pilot [CCF Pilot Program] will continue until the earlier of three years from the CEF pilot implementation date, Commission approval of an application from BC Hydro to end the pilot prior to the end of the three-year CEF Pilot, or issuance of a Commission order to end the CEF Pilot.***

**While OIC 159 does restrict in some ways the BCUC’s jurisdiction to amend or terminate the CCF Pilot Program, it does not generally affect the validity of previous BCUC orders, including Order No. G-166-17. Referring again to the example of the CCF Rate Rider, even though the BCUC can not order its amendment or termination on account of OIC 159, it will terminate on May 31, 2021 (being three years from the implementation date of June 1, 2018).**

**The only elements of the CCF Pilot Program that will continue after May 31, 2021 are those that can not either practically or legally terminate at precisely that time. For example, the CCF Regulatory Account will continue as its disposition is subject to section 4 of OIC 159. However, the issuance of customer grants by BC Hydro, the key element of the CCF Pilot Program, will terminate on May 31, 2021 even if no further orders are issued by the BCUC.**

**In summary, BC Hydro does not support a review of the CCF Pilot Program.**

3.0 If the BCUC proceeds with a review of the CCF Pilot Program based on the information continued in the Evaluation Reports, please address the following:

- a. The proposed regulatory process and the supporting rationale, and

**RESPONSE:**

**Given BC Hydro’s views on the merits of a review, as described above, it has no submissions to make on process. It does however reserve the right to make reply submissions.**

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- b. The specific topics that should be addressed as part of the scope of the review.

**RESPONSE:**

**Given BC Hydro's views on the merits of a review, as described above, it has no submissions to make on scope. It does however reserve the right to make reply submissions.**

Thank you for the opportunity to provide input into the proposed review.

For further information, please contact Anthea Jubb at 604-623-3545 or by email at [bchydroregulatorygroup@bchydro.com](mailto:bchydroregulatorygroup@bchydro.com).

Yours sincerely,



(for) Fred James  
Chief Regulatory Officer

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