



Fred James

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December 5, 2019

Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

**RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Transmission Service Market Reference-Priced Rates Application
Errata No. 2**

BC Hydro writes to file corrections to its Transmission Service Market Reference-Priced Rates Application (**Application**), filed on October 31, 2019.

As explained in BC Hydro's December 5, 2019 letter in compliance with BCUC Order No. G-300-19, it has found certain administrative changes to the Rate Schedule (**RS**) 1893 – Transmission Service – Incremental Energy Rate that was filed in Appendix C of the Application. Specifically, the numbering for Special Condition 7 was omitted in error, which meant that the subsequent Special Conditions were also numbered incorrectly. This resulted in the references to Special Condition 8 and/or 9 in Definitions 3, 8 and 12 being incomplete. BC Hydro has corrected this by replacing the references in those Definitions to identify "Special Condition 7, 8 and/or 9".

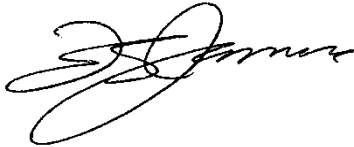
BC Hydro has also determined that there are required corrections to the Special Condition references on pages 37, 68 and 69 of the Application to reflect the corrected numbering of the Special Conditions in RS 1893. Specifically, the reference to "Special Condition 10" has been corrected by replacing it with "Special Condition 11".

The corrections to RS 1893 in Appendix C and to the other sections of the Application are enclosed as Errata No. 2.

December 5, 2019
Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Transmission Service Market Reference-Priced Rates Application
Errata No. 2

For further information, please contact Anthea Jubb at 604-623-3545 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Fred James
Chief Regulatory Officer

jc/ma

Enclosure (1)

Transmission Service Market Reference Priced Rates Application

ERRATA – December 5, 2019

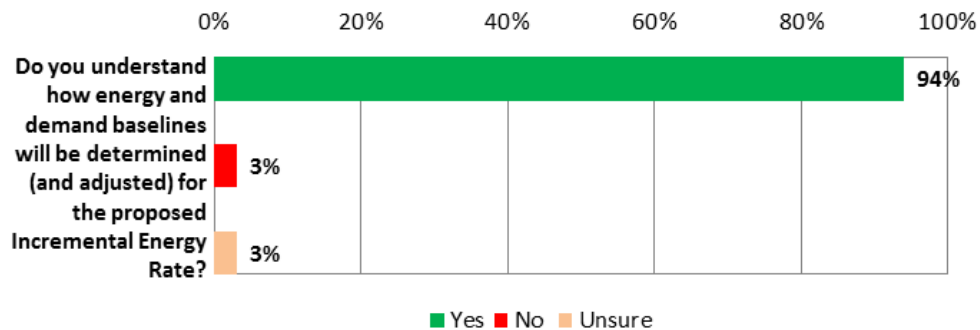
REMOVE	INSERT	NOTE
Application - Page 37	Page 37 – Revision 1 – December 5, 2019	1
Application - Page 68	Page 68 – Revision 1 – December 5, 2019	1
Application - Page 69	Page 69 – Revision 1 – December 5, 2019	1
Application – Appendix C	Appendix C – Revision 1 – December 5, 2019	2

Notes:

1. The reference to Special Condition 10 of Rate Schedule 1893 has been replaced with Special Condition 11. This correction is to reflect the corrected numbering of the Special Conditions in RS 1893 that is explained in Note 2.
2. The numbering for Special Condition 7 was omitted in error. The incorrect numbering meant that the subsequent Special Conditions were also numbered incorrectly. The numbering of the Special Conditions has been corrected. The incorrect numbering also resulted in the references to Special Condition 8 and/or 9 in Definitions 3, 8 and 12 being incomplete. BC Hydro has corrected this by replacing the references in those Definitions to identify “Special Condition 7, 8 and/or 9”.

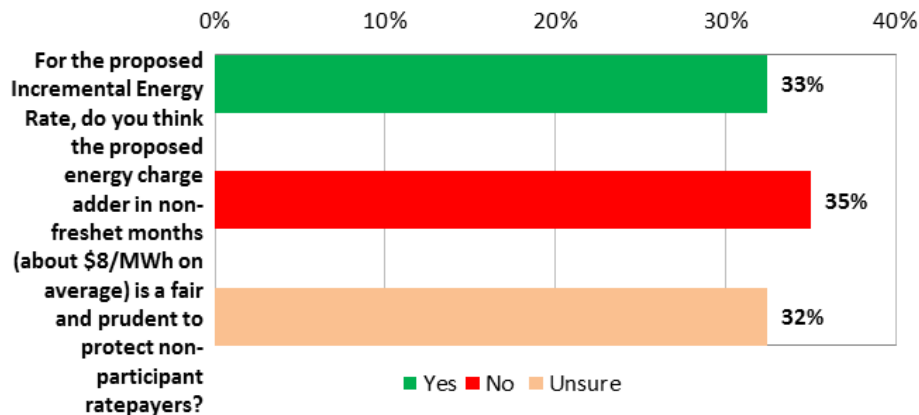
1 under the sub-heading “*Limitation of RS 1893 Usage for RS 1823 Customers*”. Refer
2 also to Special Condition 40-11 in Rate Schedule 1893.

3 **Figure 14 Incremental Energy Rate - Polling**
4 **Question 4 (September 2019)**



5 [Figure 14](#) above shows the consolidated poll response (total 67 respondents) from
6 the September 2019 workshops regarding BC Hydro’s proposed baseline
7 determination and adjustment criteria for the Incremental Energy Rate Pilot.
8 Ninety-four per cent of respondents confirmed their understanding. BC Hydro
9 considers this response to demonstrate strong support for its proposed baseline
10 determination and adjustment approach.

11 **Figure 15 Incremental Energy Rate - Polling**
12 **Question 5 (September 2019)**



1 *RS 1893 Baseline Adjustments*

2 If a Customer's RS 1893 baselines are no longer representative of the Customer's
3 normal historical electricity usage absent the Incremental Energy Rate Pilot, then
4 BC Hydro will make adjustments to those baselines consistent with the principles
5 and criteria set out in TS 74. BC Hydro and the Customer will first review any
6 proposed adjustments to ensure they are representative of the Customer's normal
7 consumption. As with TS 74 baseline adjustment criteria, a key review principle for
8 proposed baseline adjustments is to consider the magnitude, complexity and
9 materiality of the change given the potential impact to 36 unique baselines
10 (e.g., three baselines for each of 12 months). BC Hydro will then file any adjusted
11 RS 1893 baselines with the BCUC for approval. In cases where BC Hydro and the
12 Customer cannot reach agreement, the BCUC will determine the final RS 1893
13 baselines. Once any adjusted RS 1893 baselines have been filed, they will be
14 applied for billing on an interim basis subject to BCUC approval. No retroactive
15 billing adjustments will be made unless directed by the BCUC.

16 *Limitation of RS 1893 Usage for RS 1823 customers*

17 | The proposed Special Condition ~~40-11~~ of RS 1893 is designed to mitigate the risk of
18 unintended use of incremental energy by limiting the amount of electricity a
19 customer may purchase under RS 1893. This limitation on RS 1893 usage is equal
20 to the baseline amount of electricity the customer purchases under RS 1823.

21 | Pursuant to Special Condition ~~40-11~~, if a customer's highest kVA Demand in HLH of
22 a Billing Period is greater than the Monthly Reference Demand applicable to that
23 Billing Period multiplied by 2.0, then: (i) the Monthly Reference Demand for that
24 Billing Period will be automatically adjusted to be equal to 50 per cent of the highest
25 kVA Demand in HLH during that Billing Period; and (ii) the HLH and LLH Baselines
26 for that Billing Period will be automatically adjusted to be equal to 50 per cent of the
27 total energy volumes taken by the customer in the HLH and LLH of that Billing
28 Period. The adjustments to the Monthly Reference Demand and the HLH and LLH

1 | Baselines made pursuant to Special Condition ~~40-11~~ will be effective as of the start
2 | of the Billing Period in which the excess electricity was used. The adjusted Monthly
3 | Reference Demand and the adjusted HLH and LLH Baselines will remain in effect
4 | for that calendar month in future years of the RS 1893 pilot.

5 | This limitation on RS 1893 usage would allow a customer to take service under
6 | RS 1893 to re-start a second line or add a shift, for example, but would mitigate the
7 | potential for a customer to purchase significant excess volumes of non-firm
8 | electricity under RS 1893 that BC Hydro considers would normally be purchased
9 | under RS 1823. This provision does not apply to customers served under RS 1828
10 | because it would unnecessarily restrict the customer's ability to turndown
11 | self-generation and increase load (primarily during the freshet period), which is a
12 | desired outcome of the rate.

13 | Administration of this provision will require monthly monitoring of participant
14 | customer electricity consumption by BC Hydro. No BCUC approval is contemplated
15 | for the adjusted baselines as the adjustment is formulaic and made in accordance
16 | with Special Condition ~~40-11~~ of RS 1893.

17 | *Change in Site Ownership*

18 | BC Hydro is proposing that RS 1893 baselines which have been determined for a
19 | Customer taking service under RS 1823 or RS 1828 be maintained for the site even
20 | if there is a change in ownership without need for adjustment or BCUC approval.⁴¹ If
21 | the new site owner expects to operate the site differently, such that existing site
22 | baselines are no longer representative of normal RS 1823 or RS 1828 consumption,
23 | new RS 1893 baselines will be determined by BC Hydro in consultation with the
24 | customer and require approval by the BCUC.

⁴¹ This approach is consistent with the assignment of the Energy CBL under TS 74.

**Transmission Service Market Reference
Priced Rates Application**

Appendix C

**Incremental Energy Rate Pilot RS 1893
Revision 1 – December 5, 2019**

5. TRANSMISSION SERVICE

RATE SCHEDULE 1893 – TRANSMISSION SERVICE – INCREMENTAL ENERGY RATE

<p>Availability</p>	<p>For Customers supplied with Electricity under Rate Schedule 1823 (Transmission Service – Stepped Rate) or Rate Schedule 1828 (Transmission Service – Biomass Energy Program), as applicable, that increase their Electricity usage during each Billing Period, subject to the Special Conditions below.</p> <p>If a Customer is eligible to take service under this Rate Schedule and Rate Schedule 1892 (Freshet Energy Rate), the Customer may only take service under one of these Rate Schedules in any Billing Year.</p>
<p>Applicable in</p>	<p>Rate Zone I excluding the Districts of Kingsgate-Yahk and Lardeau-Shutty Bench.</p>
<p>Termination Date</p>	<p>This Rate Schedule will terminate effective March 31, 2024.</p>
<p>Rate</p>	<p>Energy Charge:</p> <p>The charge applied to energy supplied under this Rate Schedule 1893 during each HLH and LLH in the Billing Period is equal to:</p> <ol style="list-style-type: none"> 1. The greater of: <ol style="list-style-type: none"> (a) The Intercontinental Exchange (ICE) Mid-Columbia (Mid-C) Peak or Mid-C Off-Peak weighted average index price, as published by the ICE in the ICE Day Ahead Power Price Report, applicable to the hour on each day of the Billing Period; and (b) \$0/kWh; plus 2. An adder of \$3.00/MWh for the May, June and July Billing Periods and \$7.00/MWh for all other Billing Periods.

ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

Definitions

Terms used in this Rate Schedule have the meanings given to them in Electric Tariff Supplement No. 5 or 87 (as applicable) and Rate Schedule 1823 or Rate Schedule 1828 (as applicable), unless otherwise defined. In addition, the following terms have the following meanings:

1. Billing Period

Each Billing Period is a calendar month, beginning on the first day of that calendar month and ending on the last day of that calendar month.

2. High Load Hours (**HLH**)

HLH is the period from 06:00 to 22:00 Monday to Saturday, except for Statutory Holidays (New Year’s Day, Family Day, Good Friday, Victoria Day, Canada Day, B.C. Day, Labour Day, Thanksgiving Day, Remembrance Day and Christmas Day).

3. HLH Baseline

The Customer’s average hourly energy consumption under Rate Schedule 1823 or Rate Schedule 1828, as applicable, during HLH for each calendar month of the BC Hydro fiscal year commencing April 1, 2018 and ending March 31, 2019 (**Fiscal 2019**), or other period as determined in accordance with Special Condition 7, 8 and/or 9. For greater certainty, the HLH Baseline will represent the historical electricity consumption in HLH for the calendar month divided by the total number of HLH in that month.

4. HLH Gross Incremental Energy

The hourly energy taken by the Customer during each HLH of the Billing Period in excess of the HLH Baseline, excluding all hours where the energy taken is less than the HLH Baseline.

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	<p>5. HLH Net Incremental Energy</p> <p>The total energy taken by the Customer during all HLH of the Billing Period in excess of the total energy taken by the Customer under Rate Schedule 1823 or Rate Schedule 1828 (as applicable) during all HLH of the Billing Period.</p> <p>6. Monthly HLH Net to Gross Ratio</p> <p>The ratio obtained by dividing HLH Net Incremental Energy by the sum of HLH Gross Incremental Energy for each Billing Period.</p> <p>7. Low Load Hours (LLH)</p> <p>LLH are all hours other than HLH.</p> <p>8. LLH Baseline</p> <p>The Customer’s average hourly energy consumption under Rate Schedule 1823 or Rate Schedule 1828 (as applicable) during LLH for each calendar month of the BC Hydro fiscal year commencing April 1, 2018 and ending March 31, 2019 (Fiscal 2019), or other period as determined in accordance with Special Condition <u>7</u>, 8 and/or 9. For greater certainty, the LLH Baseline for each calendar month will represent the historical electricity consumption in LLH for the calendar month divided by the total number of LLH in that month.</p> <p>9. LLH Gross Incremental Energy</p> <p>The hourly energy taken by the Customer during each LLH of the current Billing Period in excess of the LLH Baseline, excluding all hours where the energy taken is less than the LLH Baseline.</p> <p>10. LLH Net Incremental Energy</p> <p>The total energy taken by the Customer during all LLH of the current Billing Period in excess of the total energy taken by the Customer under Rate Schedule 1823 or Rate Schedule 1828 (as applicable) during all LLH of the Billing Period.</p>
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	<p>11. Monthly LLH Net to Gross Ratio</p> <p>The ratio obtained by dividing LLH Net Incremental Energy by the sum of LLH Gross Incremental Energy for each Billing Period.</p> <p>12. Monthly Reference Demand</p> <p>The Monthly Reference Demand will be the actual Billing Demand (in kVA) during each Billing Period of Fiscal 2019, or other period as determined in accordance with Special Condition <u>7</u>, 8 and/or 9, and which is used to determine the Customer’s HLH and LLH Baselines.</p>
<p>Highest kVA Demand for Rate Schedule 1823 or Rate Schedule 1828</p>	<p>If the Customer is supplied with Electricity under this Rate Schedule, for the purposes of determining Billing Demand under Rate Schedule 1823 or Rate Schedule 1828 (as applicable), the highest kVA Demand during the High Load Hours in each Billing Period will be equal to the lesser of:</p> <ol style="list-style-type: none"> 1. The Monthly Reference Demand; or 2. The actual highest kVA Demand during the High Load Hours in the Billing Period.
<p>Reference Energy for Rate Schedule 1823 or Rate Schedule 1828</p>	<p>If the Customer is supplied with Electricity under this Rate Schedule, the energy supplied to the Customer under Rate Schedule 1823 or Rate Schedule 1828 (as applicable) in each Billing Period will be the total energy supplied to the Customer less HLH and LLH Net Incremental Energy.</p>
<p>Rate Schedule 1893 Energy Determination</p>	<ol style="list-style-type: none"> 1. If HLH Net Incremental Energy is greater than zero, the HLH Gross Incremental Energy for each HLH hour of the Billing Period will be multiplied by the Monthly HLH Net to Gross Ratio. The product will be the amount of energy supplied during that HLH hour under this Rate Schedule. 2. If LLH Net Incremental Energy is greater than zero, the LLH Gross Incremental Energy for each LLH hour of the Billing Period will be multiplied by the Monthly LLH Net to Gross Ratio. The product will be the amount of energy supplied during that LLH hour under this Rate Schedule.

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	<p>3. All other energy supplied to the Customer during the current Billing Period will be energy supplied under Rate Schedule 1823 or Rate Schedule 1828 (as applicable).</p>
<p>Special Conditions</p>	<p>1. Electricity is available under this Rate Schedule on a pilot basis only until March 31, 2024.</p> <p>2. BC Hydro agrees to provide Electricity under this Rate Schedule to the extent that it has energy and capacity to do so. BC Hydro may refuse Service under this Rate Schedule in circumstances where BC Hydro does not have sufficient energy or capacity. For greater certainty, BC Hydro will not be required to construct a System Reinforcement under Electric Tariff Supplement Nos. 6 or 88 to provide Service under this Rate Schedule.</p> <p>3. In order for a Customer to be eligible to take Electricity under this Rate Schedule:</p> <p>(a) The Customer must satisfy BC Hydro that it can reduce its load to its Monthly Reference Demand within one hour of receiving notice to reduce its load from BC Hydro; and</p> <p>(b) The Customer must provide at least 30 days written notice to BC Hydro of its intention to take Electricity under this Rate Schedule as follows:</p> <p>(i) By March 1 for the upcoming Billing Year commencing April 1; or</p> <p>(ii) For the period prior to March 1, 2020, within 30 days of the effective date of this Rate Schedule; or</p> <p>(iii) Where a new RS 1823 Customer commences taking service during the Billing Year and still meets the eligibility criteria (such as by acquiring an existing site with the required consumption history), at least 30 days prior to the start of the next Billing Period; and</p>

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	<p>(c) Any notice provided by a Customer under this subsection must include:</p> <ul style="list-style-type: none"> (i) An estimate of the amount of energy (in MWh) that the Customer expects to take under this Rate Schedule during each Billing Period; and (ii) A description of the operational and/or production changes, as applicable, that the Customer plans to make at its plant to take advantage of this pilot program. <p>4. If a Customer fails to reduce load to its Monthly Reference Demand in accordance with a notice received from BC Hydro: (a) the Customer will be charged 150% of the Energy Charge applicable to the hour for all RS 1893 Energy supplied during the period that the Customer failed to reduce its load as determined by BC Hydro; and (b) BC Hydro may, at its discretion, cancel the Customer’s service under this Rate Schedule. If a Customer’s service is cancelled under this subsection, BC Hydro may require the Customer to install load control relays and associated telecommunications equipment at its facilities, at the Customer’s cost, and provide BC Hydro with real-time control of these relays before the Customer is again eligible to take service under this Rate Schedule.</p> <p>5. If a Customer has self-generation, Electricity may be taken by that Customer under this Rate Schedule on an instantaneous basis when all or part of the Customer’s electrical generating plant is curtailed.</p> <p>6. If a Customer taking service under this Rate Schedule also has an Electricity Purchase Agreement (EPA) with BC Hydro, no HLH and LLH Net Incremental Energy will be determined in any Billing Period if this energy is directly associated with an event of generator turndown, in accordance with and as defined in the EPA, for which the Customer is entitled to financial payment from BC Hydro under the EPA.</p>
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7. Customers will require at least two years of historical Electricity usage, to be eligible for baseline determination. Customers who have been transferred to service under Rate Schedule 1828 can apply for adjustments to their HLH and LLH Baseline and Reference Demand to reflect their expected Rate Schedule 1828 Electricity usage.

Where the customer does not have historical annual electricity consumption for Fiscal 2019, the most recent 12 Billing Periods will be used.

~~7.8.~~ If BC Hydro and the Customer agree that the LLH and HLH Baselines and/or Monthly Reference Demand as defined above are not representative of the Customer’s normal expected Rate Schedule 1823 or Rate Schedule 1828 Electricity usage, as applicable, during each Billing Period, and the parties agree to alternative LLH and HLH Baselines and/or Monthly Reference Demand, BC Hydro will file the agreed-to LLH and HLH Baselines and/or Monthly Reference Demand with the British Columbia Utilities Commission (**BCUC**) for approval. In cases where the Customer and BC Hydro cannot reach agreement, the BCUC will determine the final LLH and HLH Baselines and Monthly Reference Demand.

~~8.9.~~ BC Hydro will file with the BCUC any adjustments to the HLH and LLH Baselines and/ or Monthly Reference Demands that are requested by customers and that BC Hydro has determined are consistent with the principles and criteria set out in BC Hydro’s “Customer Baseline Load (**CBL**) Determination Guidelines” Electric Tariff Supplement No. 74.

~~9.10.~~ Subject to direction from the BCUC, BC Hydro will use the LLH and HLH Baselines and Monthly Reference Demand filed in accordance with Special Condition 8 and/or 9 for the purposes of applying this Rate Schedule and Rate Schedule 1823 or Rate Schedule 1828, as applicable.

ACCEPTED: _____

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~~40.11.~~ If an RS 1823 customer's highest kVA Demand in HLH of a Billing Period is greater than the Monthly Reference Demand applicable to that Billing Period multiplied by 2.0, then: (i) the Monthly Reference Demand for that Billing Period will be automatically adjusted to be equal to 50% of the highest kVA Demand in HLH during that Billing Period; and (ii) the HLH and LLH Baselines for that Billing Period will be automatically adjusted to be equal to 50% of the total energy volumes taken by the customer in the HLH and LLH of that Billing Period. For RS 1823 customers, the adjustments to the Monthly Reference Demand and the HLH and LLH Baselines made pursuant to this Special Condition will be effective as of the start of the Billing Period in which the excess electricity was used. The adjusted Monthly Reference Demand and the adjusted HLH and LLH Baselines will remain in effect for that calendar month in future years of the RS 1893 pilot.

~~44.12.~~ A Customer taking Electricity under this Rate Schedule may, by providing written notice to BC Hydro at any time, cancel supply under this Rate Schedule. In all cases of cancellation, BC Hydro will terminate RS 1893 service for the entire Billing Period in which the cancellation occurs. If supply under RS 1893 is cancelled, all electricity supplied will be billed under RS 1823 or RS 1828 and/or RS 1880, as applicable. BC Hydro will not rebill for any Electricity supplied under RS 1893 in a prior Billing Period. A Customer who cancels RS 1893 service will not be eligible to return to RS 1893 service during the Billing Year, but remains eligible to re-enrol for service under this Rate Schedule for any future Billing Year as long as all other eligibility requirements are met.

~~42.13.~~ If a Customer with self-generation taking Electricity under this Rate Schedule requests service under Rate Schedule 1880 (Standby and Maintenance Supply) during any current Billing Period, Electricity supply under this Rate Schedule will be automatically cancelled for the remainder of the Billing Year. The date the Customer's RS 1880 service request is validated by BC Hydro will be the effective date of cancellation.

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	<p>13.<u>14.</u>All monetary amounts referred to in this Rate Schedule will be paid in Canadian currency. The ICE Day Ahead Power Price Report referenced in this Rate Schedule is published in US dollars, and the amounts in the report will be converted from U.S. dollars to Canadian dollars at the Bank of Canada daily exchange rate on the applicable day(s).</p>
Taxes	<p>The rates set out in this Rate Schedule are exclusive of goods and services and provincial sales taxes, as applicable.</p>
Note	<p>The terms and conditions under which Transmission Service is supplied are contained in Electric Tariff Supplement Nos. 5 and 6 or Electric Tariff Supplement Nos. 87 and 88 as applicable.</p>
Rate Rider	<p>The Deferral Account Rate Rider as set out in Rate Schedule 1901 applies to all charges payable under this Rate Schedule, before taxes and levies.</p>

ACCEPTED: _____

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