

Fred James

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November 14, 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)
BC Hydro General Service Rate Schedules 1205, 1206 and 1207
Amendments (General Service E-Plus)**

BC Hydro writes pursuant to sections 58 to 61 of the *Utilities Commission Act* to amend the Rate Schedules 1205, 1206 and 1207 - General Service - Dual Fuel (Closed) (**General Service E-Plus**). This application is being filed to allow existing General Service E-Plus customers to make improvements and changes to their heating equipment before a rate change takes place on April 1, 2023, which is further described below.

A draft order is provided as Attachment 1, and the black-lined and clean tariff sheets for the proposed amendments BC Hydro is seeking approval of, are provided as Attachment 2.

General Service E-Plus Rate Applicability and Special Conditions

Under the General Service E-Plus rate, the electricity service to the customer premises is typically registered through two meters, one meter registers energy used for space heating, water heating, and industrial process heating (collectively **Electric Heating**) and is billed on the discounted General Service E-Plus rate, while a second meter registers all other energy and where applicable demand and is billed on a standard General Service rate. Customers on General Service E-Plus have been paying a discounted rate for separately metered Electric Heating use on the condition that their service could be interrupted whenever there is a lack of surplus hydro energy and service cannot be provided economically from other energy sources.

The General Service E-Plus rate was offered to customers starting in 1987. The rate was closed to new customers after January 15, 1990 and was made non-transferrable

between account holders located on the same premises after April 1, 2008. The General Service E-Plus rate is available only for service to the Electric Heating equipment that was in place and served on the rate on January 15, 1990 and continuously thereafter. While the customer is allowed to repair the equipment attached to the General Service E-Plus meter, no upgrades are currently allowed. As well, as the service is interruptible, customers are required to maintain a permanent back-up system in good working order with an adequate supply of fuel.

The General Service E-Plus rate schedules contain a number of special conditions. Special Condition 4 allows either the Customer or BC Hydro to serve notice that the rate will no longer apply. Special Condition 4 sets out that the rate is available for an initial contract period of either one or two years, after which the contract period will be automatically extended from year to year unless either the customer or BC Hydro provide written notice to the other party 30 days prior to the anniversary date. As the rate was closed to new premises in 1990, the initial contract period at each premises has rolled over automatically for many years.

Customer Notification of Rate Change

On June 18, 2019, BC Hydro sent a letter to all General Service E-Plus customers (**Notification Letter**). The Notification Letter explained that maintaining the General Service E-Plus rate discount can no longer be justified when compared to other General Service rate schedules. In accordance with Special Condition 4, the Notification Letter notifies the Customer that the contract period will no longer be automatically extended. The General Service E-Plus rate will not be available beyond March 31, 2023 and customer accounts will be transitioned to the appropriate General Service rate on April 1, 2023. The letter also explained that the nearly four years notice period is significantly longer than the 30 day notice period prior to the contract anniversary date that is required under the rate schedules and that this longer notice period is being provided to allow customers time to transition to a standard rate.

In the Notification Letter, BC Hydro also explained that it would be filing an application with the Commission in 2019 to remove the interruptible service conditions, the requirements for customers to maintain a back-up heating system and an adequate supply of fuel, and the prohibition on changing the existing electric heating system to more energy-efficient systems. BC Hydro also committed to advising the Customer in writing once the Commission has issued its decision on this application.

There are 201 accounts on the General Service E-Plus rate as of November 5, 2019. A sample copy of the Notification Letter used for those General Service E-Plus customers moving to the applicable General Service rate is provided as Attachment 3.

General Service E-Plus Requested Amendments

In summary, BC Hydro is proposing the following changes to the General Service E-Plus rate schedules:

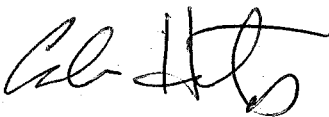
#	Purpose of Change	Sections of Rate Schedule Affected
1	Make the rate no longer interruptible	Modify the Availability and Rate sections, remove the Period of Interruption, remove Special Conditions 1 and 3
2	Remove the restriction on heating system changes to allow the Customer to replace existing heating equipment which historically has been served on the General Service E-Plus rate. No new load or additional load is permitted	Add Special Condition 5
3	Remove the requirement for the customer to maintain a permanent back-up heating system using an alternate fuel	Remove Special Condition 2
4	Add clarity that BC Hydro will not be providing Service under these Rate Schedules to any Premises beyond March 31, 2023	Modify Special Condition 4
5	Remove residual references to the interruptibility of the rate and any unauthorized use of Electricity being billed under appropriate default General Service rate	Modify Special Conditions 4, 8 and 9
6	Remove sections that no longer apply to any existing customers to improve customer understandability	Remove Special Conditions 6, 7, 10, 11 and 12

For clarity, BC Hydro is not proposing any changes to the applicability of the General Service E-Plus rate, which remains only for space, hot water and industrial process heating uses that have been served continuously on this rate since January 15, 1990.

As customers under these rate schedules are the only customers that are principally affected and given the nature of the amendment application, BC Hydro proposes a limited regulatory process where parties that were notified by BC Hydro's Notification Letter may submit comments on this change, followed by BC Hydro reply comments, if any.

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

Yours sincerely,



(for) Fred James
Chief Regulatory Officer

bh/tl

Enclosure

BC Hydro RS 1205 1206 and 1207 Amendment

Attachment 1

Draft Order

ORDER NUMBER

G-xx-xx

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority (BC Hydro)
Rate Schedules 1205, 1206 and 1207 – General Service – Dual Fuel (Closed)
Amendments

BEFORE:

Commissioner
Commissioner
Commissioner

on Date

ORDER

WHEREAS:

- A. On November 14, 2019, BC Hydro applied to the Commission for approval to amend the terms and conditions of Rate Schedules 1205, 1206 and 1207 General Service – Dual Fuel (Closed) (**General Service E-Plus**) to allow General Service E-Plus customers to make changes to their space, water and industrial process heating (**Electric Heating**) equipment. The proposed amendments also remove the interruptibility provisions and certain terms that no longer apply and provide clarity that these rate schedules will not be available beyond March 31, 2023.
- B. The General Service E-Plus rate was introduced to customers in 1987 and was closed to new accounts in 1990. The rate allows customers to receive a discounted rate for separately metered Electric Heating loads on the condition that their service could be interrupted when BC Hydro does not have sufficient surplus energy that can be economically provided from other sources. Under the rate schedule, General Service E-Plus customers are required to maintain a permanent back-up heating system with an adequate supply of fuel on hand. The rate also contains a number of other special conditions.
- C. Special Condition 4 sets out that General Service E-Plus service is available for an initial contract period of either one or two years, after which the contract period will be automatically extended from year to year unless either BC Hydro or the customer provides written notice to the other 30 days prior to the anniversary date. The initial contract period for all remaining accounts has been rolling over on an annual basis for many years.
- D. On June 18, 2019, BC Hydro issued a letter to all General Service E-Plus customers notifying customers that in accordance with Special Condition 4, BC Hydro is no longer extending the contract period. The rate will no

longer be available beyond March 31, 2023 and all customers will be transferred to the appropriate General Service rate as of April 1, 2023. The letter also explained that BC Hydro is providing customers with an extended notice period to allow customers additional time to prepare for the rate change.

- E. To help customers with the transition, in its June 18, 2019 letter BC Hydro also stated its intention to apply to the Commission in 2019 to seek amendments to the rate schedules to allow customers to make changes to their existing Electric Heating equipment. However, no new load or additional load is permitted.

NOW THEREFORE pursuant to sections 58 to 61 of the *Utilities Commission Act*, the Commission orders as follows:

1. The requested amendments to BC Hydro's General Service E-Plus rate schedules are approved effective the date of this Order.
2. BC Hydro is directed to file with the Commission the amended tariff sheets within 15 business days of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

(X. X. last name)
Commissioner

Attachment Options

BC Hydro RS 1205 1206 and 1207 Amendment

Attachment 2

Rate Schedules 1205, 1206 and 1207

2. GENERAL SERVICE

RATE SCHEDULES 1205, 1206, 1207 – GENERAL SERVICE – DUAL FUEL
(CLOSED)

Availability	<p>For general space heating, water heating and industrial process heating on an interruptible basis.</p> <p>Electricity purchased under these Rate Schedules will be separately metered. Service is 60 hertz single or three phase at the Secondary or Primary Voltage available. BC Hydro reserves the right to determine the voltage of the Service Connection.</p> <p>These Rate Schedules are available only for Premises served under these Rate Schedules on January 15, 1990 and continuously thereafter, only with respect to equipment served under these Rate Schedules on January 15, 1990 and continuously thereafter, and only in Premises where there has been no change in Customer since April 1, 2008.</p>
Applicable in	Rate Zone I in areas where, in BC Hydro's opinion, BC Hydro's transmission, sub-transmission and distribution circuit feeders are or will be capable of handling the load.
Rate	<p>Except as stated hereunder the rate will be:</p> <p>Energy Charge:</p> <p>First 8000 kWh per month @ 6.19 ¢ per kWh</p> <p>All additional kWh per month @ 4.05 ¢ per kWh</p> <p>Exception: If during a Period of Interruption a Customer fails to comply with BC Hydro's requirement to cease the use of Electricity and BC Hydro, in its sole discretion, continues to supply Electricity, the rate for such Electricity will be:</p> <p>Energy Charge: 35.98 ¢ per kWh</p>

ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

BC Hydro

Rate Schedules 1205, 1206, 1207 – ~~Revision 2~~ Revision 3

Effective: ~~April 1, 2019~~ _____

Period of Interruption	A period during which a Customer is required by BC Hydro to cease the use of Electricity under these Rate Schedules.
Rate Schedules	<ol style="list-style-type: none"> 1. Rate Schedule 1205 – Small Commercial Applications: Applies to a Customer whose interruptible heating load is mostly in support of a commercial activity and whose firm Electricity is billed on a General Service (under 35 kW) Rate Schedule. 2. Rate Schedule 1206 – Large Commercial Applications: Applies to a Customer whose interruptible heating load is mostly in support of a commercial activity and whose firm Electricity is billed on a General Service (35 kW and over) Rate Schedule. 3. Rate Schedule 1207 – Industrial Applications: Applies to a Customer whose interruptible heating load is mostly in support of an industrial activity and whose firm Electricity is billed on a General Service Rate Schedule or for farm use on a Residential Rate Schedule.
Special Conditions	<ol style="list-style-type: none"> 1. BC Hydro may, at any time and from time to time, interrupt the supply of Electricity under these Rate Schedules whenever there is a lack of surplus hydro energy and Service cannot be provided economically from other energy sources. 2. A Customer taking Service under these Rate Schedules is required to have, to BC Hydro's satisfaction, an installed permanent backup heating system using an alternative fuel, or an installed permanent independent electrical generating system, in good working order, and an adequate supply of fuel therefor, so that the Customer can continue heating operations when the supply of Electricity is interrupted. The output rating of the backup system must be of sufficient capacity to supply the heating load served under these Rate Schedules. <p>If at any time a Customer fails to comply with the foregoing requirements, BC Hydro may immediately Terminate the supply of</p>

ACCEPTED: _____

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BC Hydro

Rate Schedules 1205, 1206, 1207 – ~~Revision 2~~Revision 3

Effective: ~~April 1, 2019~~

~~Electricity under these Rate Schedules to such Customer.~~

~~3. BC Hydro will interrupt the supply of Electricity by either manual or automatic means or by written notice by registered mail or hand delivery to the Customer to cease the use of Electricity under these Rate Schedules. A Customer who has been given such written notice to cease the use of Electricity under these Rate Schedules will in accordance with the requirements of the notice cease such use and will not begin to use Electricity again until so authorized by BC Hydro, by written notice.~~

~~If a Customer fails to comply with these requirements, BC Hydro may in its sole discretion:~~

~~(a) Continue to supply Electricity, in which case the rate will be the rate for Electricity during a Period of Interruption as stated in these Rate Schedules, or~~

~~(b) Terminate the supply of Electricity under these Rate Schedules.~~

~~41. Service under these Rate Schedules will not be available to any Premises beyond March 31, 2023.~~

~~The initial contract period for dual fuel interruptible Service under these Rate Schedules is:~~

~~(a) One year where no new facility is required to be constructed or the only facility required to be constructed by BC Hydro to serve the Customer is a drop Service Connection, or~~

~~(b) Two years where more than a drop Service Connection is required to be constructed by BC Hydro to serve the Customer.~~

~~At the expiration of a contract period, the contract period is automatically extended from year to year unless either the Customer or BC Hydro gives written notice to the other 30 days prior to the anniversary date. Transfer of the load served under~~

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Rate Schedules 1205, 1206, 1207 – ~~Revision 2~~Revision 3

Effective: ~~April 1, 2019~~

	these Rate Schedules to a general firm Rate Schedule will not be permitted during a Period of Interruption.
	<p>52. These Rate Schedules are not available to Premises where Electricity under it was previously supplied and Terminated.</p> <p>6. BC Hydro will upgrade an existing Service Connection supplying firm load to serve additional load under these Rate Schedules. The charge for upgrading will be the same as applicable to a new Service Connection.</p> <p>7. For existing Customers adding load to take Service under these Rate Schedules, and where an overhead distribution Extension is required to accommodate such added load BC Hydro will contribute toward the estimate cost of the Extension an amount not exceeding two times the annual revenue as estimated by BC Hydro to be received by the applicant. Any excess cost will be contributed by the applicant.</p> <p>83. No other load than that stipulated in the Availability clause is permitted under these Rate Schedules. Any unauthorized use of Electricity or any refusal by a Customer to permit access to Premises in accordance with the Terms and Conditions of BC Hydro's Electric Tariff will result in immediate Termination under the applicable Rate Schedule and all unauthorized consumption as estimated by BC Hydro will be billed at the rate for Electricity <u>on the appropriate default General Service Rate Schedule</u> during a Period of Interruption as stated in these Rate Schedules.</p>

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Rate Schedules 1205, 1206, 1207 – ~~Revision 2~~Revision 3Effective: ~~April 1, 2019~~

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- ~~94.~~ In addition to and without restriction of any other limitations of liability of BC Hydro, BC Hydro will specifically not be liable for any loss, damage, injury or expense occasioned to or suffered by any Customer receiving Service on these Rate Schedules, or by any other Person, ~~for or by reason of any interruption of Electricity supply whatsoever~~ for any reason whatsoever.
- ~~10-5~~ Replacement of existing heating equipment is allowed provided the rated capacity (equivalent kW) of the new equipment is not higher than the existing equipment. No new load or additional load is allowed. ~~A Customer who signs a contract with BC Hydro for the supply of Electricity to new load under these Rate Schedules during the period commencing July 1, 1988 and ending December 31, 1988 will be eligible to receive an incentive rebate on his Electricity bills provided the Customer begins taking Service under these Rate Schedules no later than 12 months following the date the contract was signed.~~
- ~~11.~~ ~~A rebate will be applied to reduce the effective rate to 1.1 ¢ per kWh. Such rebate will apply only to an accumulated maximum of \$30.00 per kW of connected new load in excess of 35 kW and only up to the first two years following connection. Bills for Energy consumed will be calculated and presented at full rates with the rebate for any given period applied to the following bill. The maximum two year period of billing rebates will be extended by the equivalent of any Period of Interruption. Rebates will not be applied to reduce the rate applicable for consumption during a Period of Interruption, nor will rebates be applied to reduce Power Factor surcharges.~~
- ~~12.~~ ~~At the conclusion of any Period of Interruption, BC Hydro may Terminate Service under these Rate Schedules to any Customer who used Electricity during a Period of Interruption, unless it can be demonstrated to BC Hydro's satisfaction that adequate standby facilities exist.~~

ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

BC Hydro

Rate Schedules 1205, 1206, 1207 – ~~Revision 2~~ Revision 3

Effective: ~~April 1, 2019~~ _____

Rate Rider	The Deferral Account Rate Rider as set out in Rate Schedule 1901 applies to all charges payable under these Rate Schedules, before taxes and levies.
Rate Increase	Effective April 1, 2019 the rates under these Rate Schedules include an interim rate increase of 6.85% before rounding, approved by BCUC Order No. G-45-19.

ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

2. GENERAL SERVICE**RATE SCHEDULES 1205, 1206, 1207 – GENERAL SERVICE – DUAL FUEL
(CLOSED)**

Availability	<p>For general space heating, water heating and industrial process heating.</p> <p>Electricity purchased under these Rate Schedules will be separately metered. Service is 60 hertz single or three phase at the Secondary or Primary Voltage available. BC Hydro reserves the right to determine the voltage of the Service Connection.</p> <p>These Rate Schedules are available only for Premises served under these Rate Schedules on January 15, 1990 and continuously thereafter, only with respect to equipment served under these Rate Schedules on January 15, 1990 and continuously thereafter, and only in Premises where there has been no change in Customer since April 1, 2008.</p>
Applicable in	Rate Zone I in areas where, in BC Hydro's opinion, BC Hydro's transmission, sub-transmission and distribution circuit feeders are or will be capable of handling the load.
Rate	<p>Except as stated hereunder the rate will be:</p> <p>Energy Charge:</p> <p>First 8000 kWh per month @ 6.19 ¢ per kWh</p> <p>All additional kWh per month @ 4.05 ¢ per kWh</p>
Rate Schedules	<p>1. Rate Schedule 1205 – Small Commercial Applications:</p> <p>Applies to a Customer whose heating load is mostly in support of a commercial activity and whose firm Electricity is billed on a General Service (under 35 kW) Rate Schedule.</p>

ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

BC Hydro

Rate Schedules 1205, 1206, 1207 – Revision 3

Effective:

	<p>2. Rate Schedule 1206 – Large Commercial Applications: Applies to a Customer whose heating load is mostly in support of a commercial activity and whose firm Electricity is billed on a General Service (35 kW and over) Rate Schedule.</p> <p>3. Rate Schedule 1207 – Industrial Applications: Applies to a Customer whose heating load is mostly in support of an industrial activity and whose firm Electricity is billed on a General Service Rate Schedule or for farm use on a Residential Rate Schedule.</p>
Special Conditions	<p>1. Service under these Rate Schedules will not be available to any Premises beyond March 31, 2023.</p>
	<p>2. These Rate Schedules are not available to Premises where Electricity under it was previously supplied and Terminated.</p> <p>3. No other load than that stipulated in the Availability clause is permitted under these Rate Schedules. Any unauthorized use of Electricity or any refusal by a Customer to permit access to Premises in accordance with the Terms and Conditions of BC Hydro’s Electric Tariff will result in immediate Termination under the applicable Rate Schedule all unauthorized consumption as estimated by BC Hydro will be billed at the rate for Electricity on the appropriate default General Service Rate Schedule.</p>
	<p>4. In addition to and without restriction of any other limitations of liability of BC Hydro, BC Hydro will specifically not be liable for any loss, damage, injury or expense occasioned to or suffered by any Customer receiving Service on these Rate Schedules, or by any other Person, for any reason whatsoever.</p> <p>5. Replacement of existing heating equipment is allowed provided the rated capacity (equivalent kW) of the new equipment is not higher than the existing equipment. No new load or additional load is allowed.</p>

ACCEPTED: _____

ORDER NO. _____

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BC Hydro

Rate Schedules 1205, 1206, 1207 – Revision 3

Effective:

Rate Rider	The Deferral Account Rate Rider as set out in Rate Schedule 1901 applies to all charges payable under these Rate Schedules, before taxes and levies.
Rate Increase	Effective April 1, 2019 the rates under these Rate Schedules include an interim rate increase of 6.85% before rounding, approved by BCUC Order No. G-45-19.

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ORDER NO. _____

COMMISSION SECRETARY

BC Hydro RS 1205 1206 and 1207 Amendment

Attachment 3
Customer Letter

MM DD, 2019

Customer Name
Mailing Address
City Province Postal Code

Account number: 0123456789
General Service E-Plus rate: Rate Schedule 1206
For service at: Service Address, Service City

General Service E-Plus rate contract period will not be extended beyond March 31, 2023

We're writing to notify you that the General Service – Dual Fuel rate (Rate Schedules 1205, 1206 and 1207; referred to as the General Service E-Plus rate) will not be available to you beyond March 31, 2023. We're notifying you early so that you have time to plan and prepare for the rate change, including evaluating your existing heating equipment and considering investing in more energy efficient heating systems.

The conditions of the General Service E-Plus rate include an obligation under Special Condition 4 to give you 30 days written notice prior to your contract anniversary date if we are no longer extending the contract period. However, we are providing you with nearly four years notice in order to assist you with the transition to a standard rate.

Based on your historical electricity use and if your usage is similar in the future, your account will be transitioned to the Medium General Service (Rate Schedule 1500) rate on April 1, 2023. We will notify you closer to this date to provide you with more details on the rate transition. To see our existing rate schedules, visit bchydro.com/electric_tariff.

What happens next and how will you hear about it?

To help customers with the transition, we will apply to the British Columbia Utilities Commission (BCUC) in 2019 to request the following changes to the requirements and conditions of the General Service E-Plus rate:

- General Service E-Plus service will no longer be interruptible (remove Special Conditions 1 and 3);
- You will no longer be required to maintain a permanent back-up heating system (remove Special Condition 2); and
- You will be able to upgrade your heating system to a more energy efficient system while remaining eligible for the General Service E-Plus rate until March 31, 2023 (modify rate availability).

However, while the General Service E-plus rate will continue to be available only for space and hot water heating during the interim, new load can't be added to the service and accounts can't be transferred until the transition on April 1, 2023.

Once the BCUC has made a decision on the application to modify the special conditions, we will write to you again to notify you about their decision.

What energy saving programs does BC Hydro offer?

We offer various programs and incentive offers to help improve your business' energy efficiency. To learn more, including using our eligibility search tool to find programs that you may be eligible for, visit bchydro.com/business.

What is the E-Plus rate?

The E-Plus rate was introduced in 1987 and provides a discounted rate for separately metered electric heating on the condition that the E-Plus service can be interrupted when we don't have sufficient surplus energy that can be economically provided from other sources. General Service E-Plus customers are also required to maintain a permanent back-up heating system.

The rate was closed to new customers in 1990 and as of April 1, 2008 is only available in premises where there has not been a change of customer.

Why are we phasing out the General Service E-Plus rate?

The Residential E-Plus rate was reviewed as part of BC Hydro's 2015 Rate Design Application. In 2017, after an extensive review process, the BCUC determined that maintaining the discounted rate could no longer be justified and issued an order directing BC Hydro to phase out the Residential E-Plus rate.

Given the BCUC's decision regarding the phase out of the E-Plus rate for Residential customers, we cannot justify maintaining the General Service E-Plus rate discount when compared to other General Service customers.

To learn more, visit bchydro.com/eplus.

If you have any questions about this notification, please email BusinessAccountServices@bchydro.com or call us at 1 866 266 6366. We're available Monday to Friday from 8 a.m. to 4 p.m.

Sincerely,

Gordon Doyle
Sr. Manager, Customer Service Operations