

**Fred James**

Chief Regulatory Officer

Phone: 604-623-4046

Fax: 604-623-4407

[bchydroregulatorygroup@bchydro.com](mailto:bchydroregulatorygroup@bchydro.com)

May 26, 2020

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

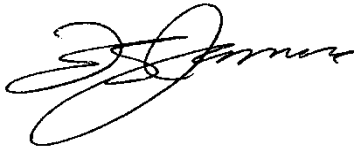
Dear Mr. Wruck:

**RE: Project No. 1599047**  
**British Columbia Utilities Commission (BCUC or Commission)**  
**British Columbia Hydro and Power Authority (BC Hydro)**  
**FortisBC Evacuation Relief Tariff Amendment Applications**

---

BC Hydro writes to provide our final argument in the Evacuation Relief Tariff Amendments Application

Yours sincerely,



Fred James  
Chief Regulatory Officer

aj/rh

Enclosure

Copy to: **FortisBC**  
Attention: Doug Slater  
[electricity.regulatory.affairs@fortisbc.com](mailto:electricity.regulatory.affairs@fortisbc.com)

**BC Hydro Evacuation Relief Tariff Amendment  
Application**

---

---

**Final Submission**

**British Columbia Hydro and Power Authority**

**May 26, 2020**

---

## Table of Contents

---

Part I	Introduction and Overview .....	1
Part II	Provisions for Evacuation Relief .....	2
Part III	Revenue Impacts and Recovery .....	7
Part IV	Conclusion .....	8

## Part I Introduction and Overview

1. Pursuant to Directive 3 of Commission Order No. G-189-18, and pursuant to sections 59 to 61 and section 63 of the *Utilities Commission Act (UCA)*, BC Hydro filed an application to make amendments to its Electric Tariff Terms and Conditions (**Electric Tariff**) to provide relief for Evacuee Customers.<sup>1</sup> The proposed evacuation relief amendments (**Evacuation Relief**) outline the eligibility of Evacuee Customers to receive relief in the form of bill credits mainly for electricity use during Evacuation Orders declared during a State of Emergency.<sup>2</sup>
2. BC Hydro also seeks Commission approval, pursuant to sections 59 to 61 of the UCA, to expand the scope of the Storm Restoration Costs Regulatory Account to include the deferral of revenue impacts related to BC Hydro's actual amounts for bill credits and waivers of charges resulting from Evacuation Relief.
3. BC Hydro respectfully submits that the proposed Evacuation Relief amendments and revenue deferral treatment are reasonable and should be approved.
4. As both BC Hydro and FortisBC have brought parallel applications, the two applications are substantially aligned, particularly with respect to definitions and general operation.<sup>3</sup> However, BC Hydro requires a definition of Evacuee Customer which identifies customers by BC Hydro's applicable rate schedules, as set out in paragraphs [6](#) to [9](#) below. BC Hydro also requires the discretion to grant Evacuation Relief to certain Medium General Service and Large General Service Customers, as described in further detail in paragraph [10](#) below.

---

<sup>1</sup> BC Hydro's Evacuation Relief Tariff Amendment Application filed August 8, 2019.

<sup>2</sup> Unless otherwise noted, all capitalized terms have the same definitions as set out in the Electric Tariff, including the proposed Evacuation Relief amendments.

<sup>3</sup> Refer to BC Hydro's response to BCUC IR 2.10.1.

---

## Part II Provisions for Evacuation Relief

5. In accordance with Order No. G-189-18, BC Hydro proposes to add new terms to the Electric Tariff to establish the parameters to provide Evacuation Relief.

**A. *Customers Receiving Service Under Certain Rate Schedules are Eligible for Evacuation Relief***

6. The proposed Evacuation Relief amendments, which would be incorporated into section 5 of the Electric Tariff, set out the eligibility requirements for Customers to receive bill credits during evacuations. The full text of Evacuation Relief amendments is set out in Exhibit B-4-1, a copy of which was filed with the Commission on February 19, 2020.

7. The Evacuation Relief amendments provide for relief for Customers who take service under certain rate schedules for Residential Service, Small General Service (**SGS**), Irrigation Service, and Street Light Service, and for some Customers receiving Medium General Service (**MGS**) and Large General Service (**LGS**).<sup>4</sup> Those identified Customers are usually the most affected by Evacuation Orders and have the greatest need for financial assistance during evacuations.<sup>5</sup>

8. BC Hydro proposes to provide Evacuation Relief to SGS Customers, even though SGS Customers can include businesses. Those businesses tend to be smaller and are generally less likely to carry more comprehensive, and therefore more expensive, forms of insurance, and are more likely to need assistance during an evacuation.<sup>6</sup>

9. The proposed Evacuation Relief would only be available for customers taking service under Rate Schedule (**RS**) 1755 (Private Outdoor Lighting) because

---

<sup>4</sup> BC Hydro's Evacuation Relief Tariff Amendment Application filed August 8, 2019, section 2.4, and refer to BC Hydro's response to BCUC IR 1.1.2.1 and BCUC IR 1.1.1.1

<sup>5</sup> Refer to BC Hydro's response to BCUC IR 1.2.14.1.

<sup>6</sup> Refer to BC Hydro's response to CEC IR 1.2.3.

---

42 per cent of RS 1755 Customers are residential Customers, and 39 per cent are commercial or strata Customers.<sup>7</sup> The street lighting services under other rate schedules are almost exclusively associated with government organizations, and so would not receive the proposed Evacuation Relief.<sup>8</sup>

10. BC Hydro has proposed the Evacuation Relief amendments to include discretion that allows BC Hydro to provide relief to Evacuee Customers receiving MGS and LGS service at a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park, or similar establishment being operated in a not-for-profit manner.<sup>9</sup> BC Hydro proposes a restriction on eligible MGS and LGS Customers for the following reasons:
- a. Although those MGS and LGS Customers are not receiving Residential Service, residential Customers are the beneficial end users of those accounts, such as nursing homes, boarding houses and the common area of multiple occupancy buildings. As a result, those select MGS and LGS Customers are also vulnerable to the effects of Evacuation Orders in the same manner as residential Customers.<sup>10</sup>
  - b. MGS and LGS Customers tend to be governments, institutions, medium and large businesses. These entities are less vulnerable to the impacts of Evacuation Orders for various reasons. For instance, they may derive their financial viability from taxpayer funding;<sup>11</sup> during an Evacuation Order, some LGS and MGS Customers may continue to operate, such as unmanned industrial or municipal pumping stations;<sup>12</sup> or those Customers

---

<sup>7</sup> Refer to BC Hydro's response to CEC IR 1.2.8.

<sup>8</sup> Refer to BC Hydro's response to BCUC IR 1.1.2.1, CEC IR 1.2.7 and CEC IR 1.2.8.

<sup>9</sup> Refer to BC Hydro's response to BCUC IR 2.8.1, BCUC IR 1.1.1.1 and BCOAPO IR 2.9.1.

<sup>10</sup> Refer to BC Hydro's response to BCUC IR 2.8.3.

<sup>11</sup> Refer to BC Hydro's response to CEC IR 1.2.3 and BCUC IR 1.1.1.1.

<sup>12</sup> Refer to BC Hydro's response to BCUC IR 1.1.1.1.

---

may be more likely to carry forms of business interruption insurance which would include coverage for costs such as electricity.<sup>13</sup>

- c. The application of Evacuation Relief to MGS and LGS Customers could result in a very significant financial risk for BC Hydro because electrical consumption by LGS and MGS Customers per customer is far greater than residential Customers. During the 2017 Wildfire season, 234 MGS and LGS Customers received approximately \$149,000 of bill credits, equalling approximately 14 per cent of the total bill credits despite representing only 0.8 per cent of customers who received bill credits that year.<sup>14</sup> Further, these bill credits were for the Energy Charge only; if Demand Charges were included, the financial impact to ratepayers would be even greater.

**B. *Bill Credits Are Provided for Duration of Evacuation Period***

11. The proposed Evacuation Relief amendments list the specific charges to be waived for each applicable rate schedule.<sup>15</sup> The charges to be waived are intended to reflect charges incurred by Customers during an Evacuation Period that were unavoidable or could not be mitigated. As Evacuation Orders are often issued with little notice, Evacuee Customers may not have had the opportunity to take steps to reduce electricity consumption during the Evacuation Period.<sup>16</sup>
12. BC Hydro proposes to waive charges for the duration of the Evacuation Period, from the start of the Evacuation Order to the date that the Evacuation Order is lifted. The bill credit will not be determined based on when a Customer actually leaves or returns to their Premises, as BC Hydro does not have a method for

---

<sup>13</sup> Refer to BC Hydro's response to CEC IR 1.2.3.

<sup>14</sup> Refer to BC Hydro's response to BCUC IR 1.1.1.1 and CEC IR 1.2.4.

<sup>15</sup> BC Hydro's Evacuation Relief Tariff Amendment Application filed August 8, 2019, section 2.4

<sup>16</sup> BC Hydro's Evacuation Relief Tariff Amendment Application filed August 8, 2019, section 2.4.

determining when a Customer actually evacuates or returns to their Premises.<sup>17</sup>

BC Hydro expects to apply most bill credits after the end of the Evacuation Period, as it has been BC Hydro's experience that most Evacuation Orders are in place for less than the duration of a billing period.<sup>18</sup>

13. For residential Customers whose Dwellings are destroyed, as determined by an insurance company or the relevant government authority, BC Hydro has proposed to waive the Service Connection charge for a new Dwelling constructed to replace the Dwelling that was destroyed and waive all charges for service for the period after the last billing period up to the date of destruction.<sup>19</sup>
14. BC Hydro does not propose to extend the bill credit to other construction costs for Customers who are rebuilding Dwellings. Further, BC Hydro does not propose to waive the Service Connection charge for the destroyed Premises of SGS Customers.<sup>20</sup>
15. BC Hydro proposes a five-day threshold for an otherwise eligible Customer to receive Evacuation Relief. This threshold is reasonable as it provides a practical balance that reduces administrative costs for *de minimis* benefit and is unlikely to impact the vast majority of customers.<sup>21</sup> During the 2017 Wildfires, only 21 of the 30,231 customers who received bill credits were subject to Evacuation Orders of less than five days, and no customers were evacuated for less than five days during the 2018 wildfires.<sup>22</sup>
16. However, even when an Evacuation Order is shorter than five-days, under the proposed Tariff amendments, BC Hydro has discretion to provide Evacuation

---

<sup>17</sup> Refer to BC Hydro's response to BCUC IR 1.2.5 and 1.2.6.

<sup>18</sup> Refer to BC Hydro's response to BCOAPO IR 1.7.1.1.

<sup>19</sup> Refer to BC Hydro's response to BCOAPO IR 1.4.2.

<sup>20</sup> Refer to BC Hydro's response to BCOAPO IR 1.4.1.

<sup>21</sup> Refer to BC Hydro's response to BCOAPO IR 2.11.1, BCUC IR 1.2.4, BCUC IR 1.2.2, BCUC IR 1.2.10, BCUC IR 1.2.12 and CEC IR 1.8.

<sup>22</sup> Refer to BC Hydro's response to BCUC IR 1.2.2 and BCUC IR 1.2.7.



---

Relief for Customers to address situations where a Customer ought to have received a bill credit.<sup>23</sup> When exercising this discretion, BC Hydro will consider whether there were other Evacuation Orders in the area that exceeded five days, whether Customers on the same feeder were under an Evacuation Order for at least five days, and whether there is a geographic area encompassing multiple Evacuation Orders.<sup>24</sup>

**C. *Customers Can Receive Bill Credits up to Two Years After Evacuation Order***

17. To identify Evacuation Orders, BC Hydro will monitor the EmergencyInfoBC website, which is typically where Evacuation Orders are posted.<sup>25</sup> BC Hydro will also monitor other relevant websites and news sources to identify Evacuation Orders. However, there is no single centralized source for posting Evacuation Orders or archiving past Evacuation Orders,<sup>26</sup> and BC Hydro may not be aware of an Evacuation Order during or for a period after the Evacuation Period, such as due to unclear borders on maps, short duration Evacuation Orders, or Evacuation Orders not being widely circulated.<sup>27</sup>
18. Recognizing the potential for BC Hydro to miss an Evacuation Order and timely determine the Customers and the length of evacuation affected by an Evacuation Order and also the fact that verifying a disaster event and the Customers affected will become increasingly difficult as time passes, BC Hydro has proposed to have discretion to refuse relief if an Evacuation Order has ended more than two years before the date BC Hydro receives a request from an Evacuee Customer or otherwise becomes aware of the Evacuation Order.<sup>28</sup>

---

<sup>23</sup> Refer to BC Hydro's response to BCUC IR 1.2.1, BCUC IR 1.2.8 and BCUC IR 1.3.7.

<sup>24</sup> Refer to BC Hydro's response to BCUC IR 1.2.1 and BCUC IR 1.3.7

<sup>25</sup> Refer to BC Hydro's response to BCUC IR 1.3.2.

<sup>26</sup> Refer to BC Hydro's response to BCUC IR 1.2.14.

<sup>27</sup> Refer to BC Hydro's response to BCUC IR 1.2.1 and BCOAPO IR 1.6.2.

<sup>28</sup> Refer to BC Hydro's response to BCOAPO IR 2.10.2

- 
19. The two-year limitation should provide sufficient time for BC Hydro to receive and review claims, and for Customers to inquire about their eligibility, as illustrated by the 2017 Wildfire Season. Following that season, BC Hydro received approximately 200 requests for bill credits after the event within five months of the wildfire season. No further requests were received after five months.<sup>29</sup>

### Part III Revenue Impacts and Recovery

20. BC Hydro proposes that the ratepayer bears the revenue impacts from the implementation of the Evacuation Relief amendments to the Electric Tariff. In past applications for relief,<sup>30</sup> BC Hydro applied the revenue impacts to the account of the shareholder, as those applications were one-time requests related to specific events over a limited period of time.<sup>31</sup> The current proposal is different in that the Evacuation Relief amendments would provide Evacuation Relief available to all eligible Customers who face emergencies and are ordered to evacuate.
21. BC Hydro has proposed to defer the revenue impacts related to the Evacuation Relief to the Storm Restoration Costs Regulatory Account (**Storm Account**). As it would not be possible for BC Hydro to accurately forecast future revenue impacts related to the Evacuation Relief,<sup>32</sup> BC Hydro's proposal ensures that the ratepayers only pay for the actual amounts of Evacuation Relief bill credits and waivers of charges.
22. The expansion of the scope of the Storm Account to include the deferred revenue impacts is reasonable and more efficient from a regulatory perspective

---

<sup>29</sup> Refer to BC Hydro's response to BCUC IR 1.2.14.

<sup>30</sup> Refer to Order No. G152-17 for the 2017 Wildfire Season, Order No. G189-18 for the 2018 Wildfire Season, and Order No. G-2-19 for the Old Fort Landslide.

<sup>31</sup> Refer to BC Hydro's response to BCUC IR 1.4.2.

<sup>32</sup> Refer to BC Hydro's response to BCUC IR 1.6.1.

---

because the Storm Account is an existing regulatory account with approved recovery mechanism. Additionally, there is alignment between the nature of the deferral provided in this Application and the Storm Account as deferrals to the Storm Account include wildfire-related costs as applicable.<sup>33</sup> The recovery of revenue impacts related to the Evacuation Relief ought to be over the short term rather than the long term, which would be the same recovery period as is currently in place for the Storm Account (i.e., next test period).<sup>34</sup>

23. The revenue impacts which are proposed to be deferred include bill credits for the applicable service and rate schedules, and waiver of all charges for destroyed Dwellings. The Customer Crisis Fund Rate Rider would not be deferred to the Storm Account as the deferral of that rider would be captured in the amounts deferred to the Customer Crisis Fund Regulatory Account.<sup>35</sup> The waiver of Service Connection Charges for new Residential Dwellings would not be included in the Storm Account, as BC Hydro's current practice does not defer those amounts to a regulatory account. Late payment charges are not included in the Storm Account, as the waiver of applicable Late Payment Charges due to a State of Emergency is already addressed by an existing business practice.<sup>36</sup>
24. BC Hydro will track storm restoration costs separately from Evacuation Relief amounts within the Storm Account.

## Part IV Conclusion

25. BC Hydro has brought this application in accordance with Directive 3 of Commission Order No. G-189-18 to amend the Electric Tariff, which will allow BC Hydro to provide Evacuation Relief on an ongoing and more consistent and

---

<sup>33</sup> Refer to BC Hydro's response to BCOAPO IR 2.15.2.

<sup>34</sup> Refer to BC Hydro's response to BCUC IR 1.5.1 and BCOAPO IR 2.15.2.

<sup>35</sup> Refer to BC Hydro's response to BCOAPO IR 2.16.1.

<sup>36</sup> Refer to BC Hydro's response to BCOAPO IR 2.16.1.

clearer basis. BC Hydro also requests to defer revenue impacts related to the Evacuation Relief to the Storm Restoration Costs Regulatory Account to recover from ratepayers the actual amounts of Evacuation Relief bill credits and waivers of charges. BC Hydro respectfully submits that the Evacuation Relief amendments and deferral treatment are reasonable and should be approved.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED MAY 26, 2020**



Per: \_\_\_\_\_

Andrew MacRae, Solicitor & Counsel, British Columbia Hydro and Power Authority