

**Fred James** 

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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: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
COVID-19 Residential Rate Relief for Renters Application

BC Hydro writes in compliance with Commission Order No. G-120-20 to provide, as Exhibit B-2, its responses to Commission Information Request No. 1.

A number of the information requests seek submissions on legal issues, and a number of those issues are also the express subject of submissions to be filed on June 1, 2020, after the tentatively-scheduled evidentiary hearing date of May 29. In BC Hydro's view, it is more appropriate for BC Hydro to provide legal submissions once the evidentiary phase of the proceeding has concluded. Accordingly, BC Hydro will provide responses to the information requests that seek to elicit legal argument in its final submissions due on June 1, 2020.

One exception is our response to BCUC IR 1.1.2, which asks, in substance, whether the Commission is compelled in law to provide the relief BC Hydro seeks in this application. Because the answer to that question can reasonably be expected to bear on the process decisions the BCUC has yet to make, in particular whether the tentatively-scheduled hearing day on May 29, 2020 should proceed, BC Hydro provides a summary response to that information request in this letter. Specifically, in BC Hydro's view the Commission is not compelled as a matter of law, whether by section 3(1)(a) of the Direction to the British Columbia Utilities Commission Respecting COVID-19 Relief (Order in Council No. 159), or otherwise, to approve the application. BC Hydro will elaborate on that position in its submissions to be filed on June 1, 2020.

May 26, 2020
Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
COVID-19 Residential Rate Relief for Renters Application



Page 2 of 2

For further information, please contact Anthea Jubb at 604-623-3545 or by email at <a href="mailto:bchydroregulatorygroup@bchydro.com">bchydroregulatorygroup@bchydro.com</a>.

Yours sincerely,

Fred James

Chief Regulatory Officer

rz/rh

Enclosure

British Columbia Utilities Commission	Page 1 of 2
Information Request No. 1.1.1 Dated: May 21, 2020	of 2
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

COVID-19 Residential Rate Relief for Renters Application (Application), pp. 1, 2, 4; Appendix C, p. 9; Government of B.C.'s Direction to the British Columbia Utilities Commission Respecting COVID-19 Relief issued on April 2, 2020 (Order In Council (OIC) 159 or Direction), Sections 1, 3 Government of BC's Direction to the British Columbia Utilities Commission (BCUC)

On page 1 of the Application, British Columbia Hydro and Power Authority (BC Hydro) states:

This Application seeks Commission approval of further amendments to BC Hydro's Electric Tariff, pursuant to Sections 59 to 61 and section 91 of the Utilities Commission Act (UCA), to allow for BC Hydro to provide relief, by way of on-bill credits, to residential renters who are unable to work as a result of COVID-19 and who do not have a BC Hydro account in their name but pay for their electricity service through their rent. In such cases, the BC Hydro account is in the landlord's name.

This relief is an extension of the COVID Relief Fund for Residential Customers originally filed by BC Hydro and is consistent with the policy direction set out in the Government of B.C.'s Direction to the British Columbia Utilities Commission Respecting COVID-19 Relief (Order in Council No. 159 issued on April 2, 2020) (**Direction**).

Section 1 of OIC 159 defines "emergency program for residential customers" as:

"emergency program for residential customers" means a program established by the authority in accordance with the amendments referred to in section 3 (1) (a);

Section 3(1)(a) of OIC 159 states:

- (1) Within 5 days of the date of an application by the authority for the purposes of this section, the commission must issue final orders
  - (a) so that the authority's Electric Tariff is amended as set out in Appendix A to this direction, and
- 1.1.1 Since the electric tariff amendments sought for BCUC approval in the Application were not part of the electric tariff amendments attached as Appendix A to OIC 159, please discuss whether the relief for residential renters, as detailed in the Application, can be considered part of the "emergency program for residential customers," as defined by section 1 of OIC 159. Why or why not?

British Columbia Utilities Commission	Page 2 of 2
Information Request No. 1.1.1 Dated: May 21, 2020	of 2
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

### **RESPONSE:**

This information request is one of three legal interpretation issues to be addressed by interveners and BC Hydro on Monday, June 1, 2020 after the evidentiary hearing tentatively scheduled for Friday, May 29, 2020, per the regulatory schedule set out in Order No. G-120-20. For procedural fairness reasons BC Hydro will provide its response to this information request in the form of legal argument in its written submission on June 1, 2020.

British Columbia Utilities Commission	Page 1 of 1
Information Request No. 1.1.2 Dated: May 21, 2020	of 1
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

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Section 3(1)(a) of OIC 159 states:

- (1) Within 5 days of the date of an application by the authority for the purposes of this section, the commission must issue final orders
  - (a) so that the authority's Electric Tariff is amended as set out in Appendix A to this direction, and
- 1.1.2 In BC Hydro's view, does OIC 159 require the BCUC to approve the Application? Why or why not?

#### RESPONSE:

BC Hydro's response to this information request is addressed in the cover letter to this filing.

British Columbia Utilities Commission	Page 1 of 2
Information Request No. 1.1.3 Dated: May 21, 2020	of 2
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

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Section 3(1)(a) of OIC 159 states:

- (1) Within 5 days of the date of an application by the authority for the purposes of this section, the commission must issue final orders
  - (a) so that the authority's Electric Tariff is amended as set out in Appendix A to this direction, and
- 1.1.3 Since the tenants pay for their electricity service through their rent, please explain the basis for which the BCUC would have jurisdiction to grant relief for electricity service charges included in rents paid by tenants to landlords, who are the BC Hydro account holders.

British Columbia Utilities Commission	Page 2 of 2
Information Request No. 1.1.3 Dated: May 21, 2020	of 2
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

## **RESPONSE:**

This information request is one of three legal interpretation issues to be addressed by interveners and BC Hydro on Monday, June 1, 2020 after the evidentiary hearing tentatively scheduled for Friday, May 29, 2020, per the regulatory schedule set out in Order No. G-120-20. For procedural fairness reasons BC Hydro will provide its response to this IR in the form of legal argument in its written submission on June 1, 2020.

British Columbia Utilities Commission	Page 1 of 1
Information Request No. 1.1.4 Dated: May 21, 2020	of 1
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

COVID-19 Residential Rate Relief for Renters Application (Application), pp. 1, 2, 4; Appendix C, p. 9; Government of B.C.'s Direction to the British Columbia Utilities Commission Respecting COVID-19 Relief issued on April 2, 2020 (Order In Council (OIC) 159 or Direction), Sections 1, 3 Government of BC's Direction to the British Columbia Utilities Commission (BCUC)

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This relief is an extension of the COVID Relief Fund for Residential Customers originally filed by BC Hydro and is consistent with the policy direction set out in the Government of B.C.'s Direction to the British Columbia Utilities Commission Respecting COVID-19 Relief (Order in Council No. 159 issued on April 2, 2020) (**Direction**).

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"emergency program for residential customers" means a program established by the authority in accordance with the amendments referred to in section 3 (1) (a);

Section 3(1)(a) of OIC 159 states:

- (1) Within 5 days of the date of an application by the authority for the purposes of this section, the commission must issue final orders
  - (a) so that the authority's Electric Tariff is amended as set out in Appendix A to this direction, and
- 1.1.4 Please explain how the tenants' payment for electricity service charges included in their rent is considered a rate under sections 59 to 61 of the Utilities Commission Act (UCA).

### **RESPONSE:**

This question requires legal interpretation of the *Utilities Commission Act*. Accordingly, BC Hydro will provide its response to this BCUC information request in the form of legal argument in its written submission on June 1, 2020.

British Columbia Utilities Commission	Page 1
Information Request No. 1.1.5 Dated: May 21, 2020	of 2
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

COVID-19 Residential Rate Relief for Renters Application (Application), pp. 1, 2, 4; Appendix C, p. 9; Government of B.C.'s Direction to the British Columbia Utilities Commission Respecting COVID-19 Relief issued on April 2, 2020 (Order In Council (OIC) 159 or Direction), Sections 1, 3 Government of BC's Direction to the British Columbia Utilities Commission (BCUC)

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  - (a) so that the authority's Electric Tariff is amended as set out in Appendix A to this direction, and
- 1.1.5 Please explain whether the relief for residential tenants, as detailed in the Application, has any economic or cost of service justification.

British Columbia Utilities Commission	Page 2
Information Request No. 1.1.5 Dated: May 21, 2020	of 2
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

#### RESPONSE:

The scope of BC Hydro's application is limited to changes to the language in our Electric Tariff to allow us to issue on-bill credits.

As BC Hydro's Renters Relief Program is not a rate, there is no requirement to design the program based on a cost of service or economic justification for ratepayers. As such, BC Hydro has not examined whether such a justification may exist. BC Hydro's application is in response to policy direction from Government which is to support residential electricity consumers who have lost their jobs or become unable to work because of COVID.

The alternative to on bill credits would be for BC Hydro to send cheques to eligible tenants. The estimated incremental cost of sending a cheque relative to applying an on-bill credit, is \$22.90 per transaction. Most of that cost is labour but it also includes costs for postage and banking fees. The total cost of administering the Rental Relief Program without approval of the requested Electric Tariff amendments would be around \$460,000, plus whatever time is needed for training the additional staff to temporarily perform that function.

British Columbia Utilities Commission	Page 1 of 2
Information Request No. 1.1.6 Dated: May 21, 2020	of 2
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

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- (1) Within 5 days of the date of an application by the authority for the purposes of this section, the commission must issue final orders
  - (a) so that the authority's Electric Tariff is amended as set out in Appendix A to this direction, and
- 1.1.6 Please discuss whether the relief for residential tenants, as detailed in the Application, would result in a subsidization of residential tenants by customers who pay BC Hydro directly for electricity service.

British Columbia Utilities Commission	Page 2 of 2
Information Request No. 1.1.6 Dated: May 21, 2020	of 2
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

### **RESPONSE:**

BC Hydro is unable to determine whether the program would result in a subsidization of residential tenants by customers who pay BC Hydro directly for electricity service, as we have not examined the cost of service or economic justification of the program.

Please also refer to BC Hydro's response to BCUC IR 1.1.5, where BC Hydro noted that the COVID Renters Relief Program is not a rate, and as such there is no requirement to develop it on a cost of service or economic basis.

British Columbia Utilities Commission	Page 1 of 1
Information Request No. 1.1.7 Dated: May 21, 2020	of 1
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

COVID-19 Residential Rate Relief for Renters Application (Application), pp. 1, 2, 4; Appendix C, p. 9; Government of B.C.'s Direction to the British Columbia Utilities Commission Respecting COVID-19 Relief issued on April 2, 2020 (Order In Council (OIC) 159 or Direction), Sections 1, 3 Government of BC's Direction to the British Columbia Utilities Commission (BCUC)

On page 4 of the Application, BC Hydro states:

BC Hydro will provide the credit to the account holder (which is the landlord) directly, consistent with the BC-TRS program. The credit does not need to be repaid. The application to the Renters Relief Program will require the account holder to acknowledge that credits are to be applied against rent paid by the tenant. If upon audit it is found that the credit is granted inappropriately, BC Hydro may reverse it. In rare cases where the landlord doesn't want to participate but the tenant is eligible, BC Hydro will issue a cheque for the credit directly to the tenant.

1.1.7 Please clarify whether the credit described in the preamble could also be considered relief for the landlords who are the BC Hydro account holders. Why or why not?

#### **RESPONSE:**

The intent of BC Hydro's COVID Relief Program for Renters is to provide relief to tenants. BC Hydro has developed an approach to leverage the Government of B.C.'s new B.C. Temporary Rental Supplement to administer the program in a manner that ensures that the relief reaches the tenant.

The landlord may also benefit from the program, to the extent it contributes to avoiding rental premises vacancies.

British Columbia Utilities Commission	Page 1 of 1
Information Request No. 1.1.7.1 Dated: May 21, 2020	of 1
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

COVID-19 Residential Rate Relief for Renters Application (Application), pp. 1, 2, 4; Appendix C, p. 9; Government of B.C.'s Direction to the British Columbia Utilities Commission Respecting COVID-19 Relief issued on April 2, 2020 (Order In Council (OIC) 159 or Direction), Sections 1, 3 Government of BC's Direction to the British Columbia Utilities Commission (BCUC)

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- 1.1.7 Please clarify whether the credit described in the preamble could also be considered relief for the landlords who are the BC Hydro account holders. Why or why not?
  - 1.1.7.1 If yes, please discuss whether the relief would result in a subsidization of the landlords by other BC Hydro ratepayers. Why or why not?

#### **RESPONSE:**

Please refer to BC Hydro's response to BCUC IR 1.1.7 where we describe how the intent of the program is to provide relief to tenants, not landlords.

British Columbia Utilities Commission	Page 1 of 2
Information Request No. 1.1.8 Dated: May 21, 2020	of 2
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

COVID-19 Residential Rate Relief for Renters Application (Application), pp. 1, 2, 4; Appendix C, p. 9; Government of B.C.'s Direction to the British Columbia Utilities Commission Respecting COVID-19 Relief issued on April 2, 2020 (Order In Council (OIC) 159 or Direction), Sections 1, 3 Government of BC's Direction to the British Columbia Utilities Commission (BCUC)

On page 2 of the Application, BC Hydro states:

Although BC Hydro can amend its program terms to provide this additional relief through direct payment, for administrative efficiency, BC Hydro intends to provide this relief by way of an on-bill credit. The changes to BC Hydro's Electric Tariff approved by Order No. G-79-20 were inadvertently narrow in that they define the residential relief program as only applying to Residential Service Customers who have lost their jobs or are unable to work as a result of COVID-19. As a result, renters cannot access the current COVID Relief Fund for Residential Customers directly because they do not have a BC Hydro account.

In the black-lined version of the electric tariff included in Appendix C to the Application, BC Hydro provides the following definitions:

British Columbia Utilities Commission	Page 2
Information Request No. 1.1.8 Dated: May 21, 2020	of 2
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

COVID Relief Fund for Residential Customers	A temporary program established by BC Hydro, available until June 30, 2020, for the purpose of providing grants to qualifying Residential Service Customers, and qualifying residential tenants of a Customer, to address impacts arising from who have lockthe loss of their employment or become unableinability to work as a result of the COVID pandemic.
COVID Relief Fund for Residential Customers Grant	A credit issued by BC Hydro, in its discretion, to a qualifying Residential Service Customer or to a qualifying Customer with one or more qualifying residential tenants, to that Customer's BC Hydro Residential Service account.
COVID Relief Fund Return	The return of a COVID Relief Fund for Residential Customers Grant that BC Hydro determined should not have been granted.
Customer	Any Person whose application for Service has been accepted by BC Hydro or, in the absence of such an application, the Person with possession of the Premises to which Service is provided or the Owner or such other Person designated as the Customer pursuant to the Electric Tariff. If a Customer receives Service at more than one Premises, such Customer will be considered a separate Customer for each Premises.
	BC Hydro will determine the number of Premises for the purpose of this definition.

1.1.8 Given that the definition of "Customer" in BC Hydro's electric tariff includes "the Person with possession of the Premises to which Service is provided," and considering the definitions of "Residential Service," "Dwellings" and "Service," please discuss whether "residential tenants of a Customer" could also be considered "Residential Service Customers" of BC Hydro.

### **RESPONSE:**

One Premises to which BC Hydro provides Service may have only one Customer, as those terms are defined in our Electric Tariff.

If a landlord has been accepted or designated as the BC Hydro Customer for a specific Premises, then a tenant cannot also be the BC Hydro Customer for that same Premises.

British Columbia Utilities Commission	Page 1 of 2
Information Request No. 1.1.8.1 Dated: May 21, 2020	of 2
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

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British Columbia Utilities Commission Information Request No. 1.1.8.1 Dated: May 21, 2020 British Columbia Hydro & Power Authority	Page 2 of 2
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British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

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  - 1.1.8.1 If yes, please further clarify why it is necessary to amend the electric tariff as proposed in the Application in order to provide relief to residential renters.

## **RESPONSE:**

Please refer to BC Hydro's response to BCUC IR 1.1.8.

British Columbia Utilities Commission	Page 1 of 1
Information Request No. 1.2.1 Dated: May 21, 2020	of 1
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

Application, pp. 3, 4; BC Hydro 2015 Rate Design Application Proceeding, Decision dated January 20, 2017, p. 101 Eligibility

On page 3 of the Application, BC Hydro states:

The eligibility requirements of BC Hydro's Customer Relief Program and BC-TRS are similar, with both programs targeted to those households that have lost income because of COVID-19. As a result, there is an opportunity to leverage the BC-TRS program to allow BC Hydro to provide similar relief to residential renters who do not take service directly from BC Hydro, and without duplicating application and approval processes already established by BC Housing.

On page 4 of the Application, BC Hydro notes the primary differences in eligibility requirements between the BC-TRS program and BC Hydro's Customer Relief Program; namely that the BC-TRS has household income criteria to target low and moderate-income renters and BC Hydro's Customer Relief Program "screens out very high usage customers."

On pages 4 to 5 of the Application, BC Hydro states:

As BC Hydro's Renters Relief eligibility screening will rely on the BC-TRS qualification process, the income criteria applied by BC-TRS will apply to BC Hydro's Renters Relief Program, and the high usage eligibility criteria will not apply.

These income eligibility criteria will reduce the number of residential renters eligible for the Renters Relief Program as compared to renters paying BC Hydro directly for their electricity and who are therefore eligible for the COVID-19 Relief Fund for Residential Customers.

1.2.1 Please provide an estimate of the number of residential renters that would not be eligible for BC Hydro's Renter Relief Program due to using the BC-TRS program's criteria that would have been eligible for BC Hydro's Customer Relief Program if they had been account holders.

## RESPONSE:

BC Hydro does not have insight into the household incomes of residential renters that are not BC Hydro account holders. As a result, we are unable to estimate the number of residential renters that are not eligible for the B.C. Temporary Rental Supplement but that would have been eligible for the COVID-19 Relief Fund for Residential Customers if they had been BC Hydro account holders.

British Columbia Utilities Commission	Page 1 of 2
Information Request No. 1.2.2 Dated: May 21, 2020	of 2
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
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On page 4 of the Application, BC Hydro notes the primary differences in eligibility requirements between the BC-TRS program and BC Hydro's Customer Relief Program; namely that the BC-TRS has household income criteria to target low and moderate-income renters and BC Hydro's Customer Relief Program "screens out very high usage customers."

On pages 4 to 5 of the Application, BC Hydro states:

As BC Hydro's Renters Relief eligibility screening will rely on the BC-TRS qualification process, the income criteria applied by BC-TRS will apply to BC Hydro's Renters Relief Program, and the high usage eligibility criteria will not apply.

These income eligibility criteria will reduce the number of residential renters eligible for the Renters Relief Program as compared to renters paying BC Hydro directly for their electricity and who are therefore eligible for the COVID-19 Relief Fund for Residential Customers.

1.2.2 Please provide an estimate of the number of residential renters that would be eligible for BC Hydro's Renter Relief Program due to BC Hydro not applying the high usage eligibility criteria of its Customer Relief Program that otherwise would not have been eligible.

### **RESPONSE:**

BC Hydro is unable to provide an accurate estimate of the number of residential renters that are not account holders and that, if account holders, would not be eligible for the COVID-19 Relief Fund for Residential Customers (Residential Relief Fund) because their average consumption exceeds 2,500 kWh per month. Except

British Columbia Utilities Commission	Page 2 of 2
Information Request No. 1.2.2 Dated: May 21, 2020	of 2
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

for those accounts specifically noted as being multiple resident buildings, BC Hydro is unaware whether or not rental units may exist within the premises. In addition, even for accounts noted as being multiple resident buildings, BC Hydro cannot distinguish consumption between rental units, or consumption of a primary residence and a basement suite. However, we offer the following analysis to identify a potential magnitude.

36,643 accounts on eligible residential rates are excluded from the Residential Relief Fund because average consumption is greater than 2,500 kWh per month. These excluded accounts comprise approximately 2 per cent of all residential accounts and include, for example, single family dwellings, multi-unit residential buildings, farms, and home-based businesses.

For clarity, these figures represent the number of customers that, if they applied for the Residential Relief Fund, would be ineligible because their average consumption exceeds 2,500 kWh per month. As of May 22, 2020, 2,562 of residential customers with usage above 2,500 kWh had applied and were denied.

British Columbia Utilities Commission	Page 1 of 1
Information Request No. 1.2.3 Dated: May 21, 2020	of 1
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

Application, pp. 3, 4; BC Hydro 2015 Rate Design Application Proceeding, Decision dated January 20, 2017, p. 101 Eligibility

On page 3 of the Application, BC Hydro states:

The eligibility requirements of BC Hydro's Customer Relief Program and BC-TRS are similar, with both programs targeted to those households that have lost income because of COVID-19. As a result, there is an opportunity to leverage the BC-TRS program to allow BC Hydro to provide similar relief to residential renters who do not take service directly from BC Hydro, and without duplicating application and approval processes already established by BC Housing.

On page 4 of the Application, BC Hydro notes the primary differences in eligibility requirements between the BC-TRS program and BC Hydro's Customer Relief Program; namely that the BC-TRS has household income criteria to target low and moderate-income renters and BC Hydro's Customer Relief Program "screens out very high usage customers."

On pages 4 to 5 of the Application, BC Hydro states:

As BC Hydro's Renters Relief eligibility screening will rely on the BC-TRS qualification process, the income criteria applied by BC-TRS will apply to BC Hydro's Renters Relief Program, and the high usage eligibility criteria will not apply.

These income eligibility criteria will reduce the number of residential renters eligible for the Renters Relief Program as compared to renters paying BC Hydro directly for their electricity and who are therefore eligible for the COVID-19 Relief Fund for Residential Customers.

1.2.3 Please discuss whether the treatment of residential renters that would or would not be eligible for BC Hydro's Renter Relief Program resulting from the differences in eligibility criteria between BC Hydro's Customer Relief Program and the BC-TRS program could be considered unduly discriminatory or preferential under section 59 of the UCA. Why or why not?

### RESPONSE:

This question requires legal interpretation of provisions of the *Utilities Commission Act.* Accordingly, BC Hydro will provide its response to this IR in the form of legal argument in its written submission on June 1, 2020.

British Columbia Utilities Commission	Page 1 of 1
Information Request No. 1.2.4 Dated: May 21, 2020	of 1
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

Application, pp. 3, 4; BC Hydro 2015 Rate Design Application Proceeding, Decision dated January 20, 2017, p. 101

**Eligibility** 

In the BCUC's Decision to BC Hydro's 2015 Rate Design Application, the BCUC stated: "the Panel finds it does not have jurisdiction to set low-income rates in the absence of an economic or cost of service justification."

1.2.4 Please discuss whether applying the BC-TRS program household income criteria for BC Hydro's Renters Relief Program could be considered a low-income rate. Why or why not?

### **RESPONSE:**

BC Hydro's Renters Relief Program could not be considered a low-income rate, for the reasons described in BC Hydro's response to BCUC IR 1.5.1.

British Columbia Utilities Commission	Page 1 of 1
Information Request No. 1.3.1 Dated: May 21, 2020	of 1
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

Application, pp. 4, 5 Program Term

On page 4 of the Application, BC Hydro states:

Since the renters do not take service from BC Hydro directly, BC Hydro does not know the actual electricity consumption of the tenant. Therefore, the proposal is to provide a fixed credit of \$45/month (\$135 for the three months ending June 30) to qualifying residential renters, which is based on the median apartment monthly bill. As the BC-TRS program is accepting applications until the end of June, BC Hydro may allow Renters Relief Program applications through July to allow for BC-TRS processing and approvals.

1.3.1 Since the Application was filed on May 14, 2020, please explain whether BC Hydro's proposal to apply credits for the three months ending June 30 could be considered retroactive ratemaking for the period up to and including May 13, 2020. Why or why not?

#### **RESPONSE:**

BC Hydro's proposal to apply credits for the three months ending June 30, 2020 should not be considered retroactive ratemaking for the period up to and including May 13, 2020. This is because BC Hydro's Rental Relief Program is not a rate, as described in our response to BCUC IR 1.5.1. Further, BC Hydro will not commence on bill credits pending a BCUC decision on our application.

BC Hydro views it appropriate that the credit provide an amount equivalent to three-months consumption, with timing to align with the April 1, 2020, Government of B.C. announcement that rate relief is to be provided to BC Hydro's residential customers, the associated Order in Council issued April 2, 2020 and BC Hydro's COVID-19 Customer Relief Program Application filed with the BCUC on April 2, 2020.

British Columbia Utilities Commission	Page 1 of 1
Information Request No. 1.3.2 Dated: May 21, 2020	of 1
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

Application, pp. 4, 5 Program Term

On page 5 of the Application, BC Hydro states:

In addition, BC Hydro proposes to add the following new definition to the Electric Tariff to allow BC Hydro to reverse a grant provided under the COVID Relief Fund for Residential Customers. This amendment is required so that BC Hydro can reverse any relief provided inappropriately to an account holder. For example, the BC-TRS program has an audit and dispute resolution process to ensure that relief is provided in accordance with program rules. Should BC Housing notify BC Hydro of instances where the BC-TRS program rules were not followed, BC Hydro may reverse the relief from the landlord's account.

COVID Relief Fund Return: The return of a COVID Relief Fund Grant that BC Hydro determined should not have been granted.

1.3.2 Please confirm, or explain otherwise, that the proposed new definition to the electric tariff would allow BC Hydro to reverse a grant provided under the COVID Relief Fund for Residential Customers that was approved by BCUC Order G-79-20.

#### RESPONSE:

Confirmed. The proposed new definition will allow BC Hydro to reverse a grant provided under the COVID Relief Fund for Residential Customers by way of an on-bill credit.

British Columbia Utilities Commission	Page 1 of 1
Information Request No. 1.3.2.1 Dated: May 21, 2020	of 1
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

Application, pp. 4, 5 Program Term

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COVID Relief Fund Return: The return of a COVID Relief Fund Grant that BC Hydro determined should not have been granted.

- 1.3.2 Please confirm, or explain otherwise, that the proposed new definition to the electric tariff would allow BC Hydro to reverse a grant provided under the COVID Relief Fund for Residential Customers that was approved by BCUC Order G-79-20.
  - 1.3.2.1 If confirmed, please discuss whether reversing a grant provided up to and including May 13, 2020 under the COVID-19 Relief Fund for Residential Customers approved by BCUC Order G-79-20 could be considered retroactive ratemaking. Why or why not?

#### RESPONSE:

Please refer to BC Hydro's response to BCUC IR 1.3.1.

British Columbia Utilities Commission	Page 1 of 1
Information Request No. 1.3.3 Dated: May 21, 2020	of 1
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

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COVID Relief Fund Return: The return of a COVID Relief Fund Grant that BC Hydro determined should not have been granted.

1.3.3 Please confirm, or explain otherwise, that a BC Hydro account that has one or more residential tenants eligible for BC Hydro's Renters Relief Program are only charged a single "basic charge" per billing period as opposed to a separate "basic charge" for each residential tenant or unit.

#### RESPONSE:

There are multiple potential configurations of how the basic charge may apply to a residential tenant who pays for electricity through their rent.

A BC Hydro residential customer under Rate Schedule 1101 only pays a single basic charge regardless of the number of residential tenants that may have sharing the Dwelling.

In cases where BC Hydro is aware that there are multiple Dwellings under a single meter, the Customer would be charged under Rate Schedule 1121 and a basic charge would be assessed against each unit.

There may also be cases where a landlord is the Customer for multiple, separately metered accounts each serviced under Rate Schedule 1101. In these cases, the landlord would pay a basic charge for each separately metered Dwelling.

British Columbia Utilities Commission	Page 1 of 1
Information Request No. 1.3.4 Dated: May 21, 2020	of 1
British Columbia Hydro & Power Authority	
Response issued May 26, 2020	
British Columbia Hydro & Power Authority	Exhibit:
BC Hydro COVID-19 Residential Rate Relief for Renters	B-2

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COVID Relief Fund Return: The return of a COVID Relief Fund Grant that BC Hydro determined should not have been granted.

1.3.4 Please confirm, or explain otherwise, that the \$45 per month fixed credit based on the median apartment monthly bill includes the "basic charge."

### **RESPONSE:**

Confirmed. The average monthly bill of \$45 is inclusive of the Basic Charge, Energy Charge, and Customer Crisis Fund Rate Rider. It is calculated using Rate Schedules 1101, 1121 – Residential Service for a customer with median consumption that resides in an apartment of any heating type, and in any region of the province.

British Columbia Utilities Commission Information Request No. 1.3.4.1 Dated: May 21, 2020	Page 1 of 1
British Columbia Hydro & Power Authority Response issued <b>May 26, 2020</b>	
British Columbia Hydro & Power Authority BC Hydro COVID-19 Residential Rate Relief for Renters	Exhibit: B-2

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COVID Relief Fund Return: The return of a COVID Relief Fund Grant that BC Hydro determined should not have been granted.

- 1.3.4 Please confirm, or explain otherwise, that the \$45 per month fixed credit based on the median apartment monthly bill includes the "basic charge."
  - 1.3.4.1 If confirmed, please explain why it is appropriate to credit a residential tenant the full amount of the "basic charge" when that tenant does not pay the full amount of the "basic charge" on the BC Hydro account.

### **RESPONSE:**

Crediting a residential tenant the average bill of a median apartment is considered a proxy for the amount for which to provide bill relief during a period in which the tenant has stopped working. This reflects that for the eligible renters, BC Hydro does not have insight into the range of actual electricity consumption associated with tenants nor for the forms of financial arrangements between landlord and tenant.

There is considerable variability between average monthly bills that tenants would actually incur if they directly had accounts with BC Hydro, depending on factors such as location, housing type, heating type, housing age (e.g., quality of insulation), family size, and energy conservation behaviours. In most cases the variability in electricity cost resulting from these factors exceeds the Basic Charge which is 20.69 cents per day, or approximately \$6.20 per month.