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February 4, 2021

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

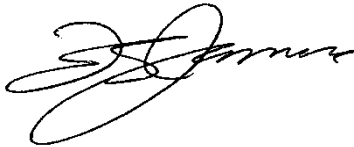
Dear Ms. Tresoglavic:

**RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Application for Consent to Rescind Tariff Supplement No. 37 (TS 37) and
Approval of Rate Schedules (RS) 1894 and 1895
BCUC Information Request No. 1**

BC Hydro writes to provide its responses to BCUC Information Request No. 1 dated February 3, 2021.

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

bf/ma

Enclosure

British Columbia Utilities Commission Information Request No. 1.1.1 Dated: February 3, 2021 British Columbia Hydro & Power Authority Response issued February 4, 2021	Page 1 of 1
British Columbia Hydro & Power Authority Application for Consent to Rescind Tariff Supplement No. 37 (TS 37) and Approval of Rate Schedules (RS) 1894 and 1895	Exhibit: B-2

**1.0 Reference: RS 1894 AND 1895
Utilities Commission Act (UCA), Direction No. 8, Section 5
Rate rebalancing**

Section 5 of Direction No. 8 of the *Utilities Commission Act (UCA)*, states that “[i]n setting rates for the authority for F2020 and F2021, the commission must not set rates for the purpose of changing the revenue-cost ratio for a class of customers.”

- 1.1.1 Considering the above prohibition on rate rebalancing, please confirm, or otherwise explain, that British Columbia Hydro and Power Authority’s (BC Hydro) non discounted transmission service rate customers will be supplementing BC Hydro’s cost of service for new customers on the discounted rate schedule (RS) 1894 and RS 1895?

RESPONSE:

RS 1894 and RS 1895 Customers will be included under the transmission service rate class in BC Hydro’s Fully Allocated Cost of Service study. Absent rate rebalancing, the cost of serving Customers under these two rate schedules will be collected from all ratepayers, and the revenues from these two rate schedules will also benefit all ratepayers.

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**2.0 Reference: RS 1894 AND 1895
Exhibit B-1, Application, Appendix A
Tariff application**

BC Hydro’s new RS 1895, attached as Appendix A to the Application, outlines the availability “[f]or customers that are eligible for service under Rate Schedule 1823 or Rate Schedule 1828 and have qualifying New Electrification Projects or Modification Electrification Projects, subject to Special Condition 1.”

The Definitions of the RS then outlines the criteria for “New Electrification Project” or “Modification Electrification Project.”

Special Condition 1 also outlines BC Hydro’s criteria for the “Determination of Eligibility for Service” under RS 1894 and RS 1895.

- 1.2.1 Please confirm or otherwise explain that the British Columbia Utilities Commission (BCUC) may adjudicate whether BC Hydro has applied its tariffs appropriately, upon complaint by customer(s) or potential customer(s).

RESPONSE:

Confirmed.

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**3.0 Reference: RS 1894 AND 1895
The Star News Article
Infrastructure investment program**

In The Star¹ news article, *B.C. Hydro to offer 'clean' industries reduced rate as province aims to cut emissions*, it states:

B.C. is also using more than \$84 million from its share of the federal government's infrastructure investment program to set up an electrification fund that aims to reduce the costs of connecting to the power grid and to support certain industrial customers upgrading their connections.

The fund would cover up to 50 per cent of a customer's eligible costs, such as new transmission lines, to a maximum of \$15 million, the province said.

- 1.3.1 What amount or percentage share of the \$84 million federal government's infrastructure investment program, if any, is available to BC Hydro's customers or potential customers?

RESPONSE:

The entire \$84 million is available to eligible BC Hydro customers or potential customers. For more information about the Facilities Electrification Fund, please visit: www.bchydro.com/electrificationfund.

¹ See, *B.C. Hydro to offer 'clean' industries reduced rate as province aims to cut emissions*, retrieved from <https://www.thestar.com/business/2021/01/28/bc-hydro-to-offer-clean-industries-reduced-rate-as-province-aims-to-cut-emissions.html>.

British Columbia Utilities Commission Information Request No. 1.3.2 Dated: February 3, 2021 British Columbia Hydro & Power Authority Response issued February 4, 2021	Page 1 of 1
British Columbia Hydro & Power Authority Application for Consent to Rescind Tariff Supplement No. 37 (TS 37) and Approval of Rate Schedules (RS) 1894 and 1895	Exhibit: B-2

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The fund would cover up to 50 per cent of a customer's eligible costs, such as new transmission lines, to a maximum of \$15 million, the province said.

- 1.3.2 If a customer or potential customer is eligible for the infrastructure investment program fund, will that customer also be automatically eligible for the RS 1894 and RS 1895?

RESPONSE:

No. The Facilities Electrification Fund has separate eligibility criteria. A Customer or potential Customer that applies for service under RS 1894 or RS 1895 must meet the eligibility criteria outlined in the applicable rate schedule.

¹ See, *B.C. Hydro to offer 'clean' industries reduced rate as province aims to cut emissions*, retrieved from <https://www.thestar.com/business/2021/01/28/bc-hydro-to-offer-clean-industries-reduced-rate-as-province-aims-to-cut-emissions.html>.

British Columbia Utilities Commission Information Request No. 1.4.1 Dated: February 3, 2021 British Columbia Hydro & Power Authority Response issued February 4, 2021	Page 1 of 1
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**4.0 Reference: RS 1894 AND 1895
BCUC Order G-256-20
Rate eligibility**

In Order G-256-20, the BCUC approved RS 1893 Incremental Energy Rate for BC Hydro as a pilot rate from January 1, 2020 to March 31, 2024.

1.4.1 Please clarify whether customers that are eligible for the Incremental Energy Rate may also be eligible for the new RS 1894 and / or RS 1895.

RESPONSE:

BC Hydro notes that for Customers to be eligible for the Incremental Energy Rate (RS 1893), they must have an existing, firm Transmission Service under RS 1823 or RS 1828 from BC Hydro. A Customer that is eligible for firm service under RS 1894 and/or RS 1895 may separately be eligible for non-firm service under RS 1892 or RS 1893. However, service under these rate schedules may not be taken concurrently:

- **In accordance with Special Condition 3 of RS 1894, a Customer taking service under RS 1894 is not eligible to take concurrent service under Rate Schedule 1892 (Freshet Rate) or Rate Schedule 1893 (Incremental Energy Rate).**
- **In accordance with Special Condition 7 of RS 1895, a Customer taking service under RS 1895 is not eligible to take concurrent service under Rate Schedule 1892 (Freshet Rate) or Rate Schedule 1893 (Incremental Energy Rate).**

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**4.0 Reference: RS 1894 AND 1895
BCUC Order G-256-20
Rate eligibility**

In Order G-256-20, the BCUC approved RS 1893 Incremental Energy Rate for BC Hydro as a pilot rate from January 1, 2020 to March 31, 2024.

1.4.2 Please confirm or otherwise explain that customers may NOT be eligible for both RS 1894 and RS 1895.

RESPONSE:

A Customer that is eligible for service under RS 1894 may also be eligible for service under RS 1895. However, the Customer is not eligible to take service under both rate schedules concurrently.