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January 7, 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)
Transmission Service Rate (TSR) Customer Baseline Load
F2020 and F2021 Application (the Application)**

BC Hydro writes to the BCUC to apply for approval, pursuant to sections 58 to 61, 89 and 90 of the *Utilities Commission Act (UCA)* and section 15 of the *Administrative Tribunals Act*, of the Energy Customer Baseline Loads (**Energy CBL or CBL**) for customers served on Energy Charge Part B of Rate Schedule 1823 - Transmission Service Stepped Rate (**RS 1823B**) and of the placement of customers on Energy Charge Part A of RS 1823 (**RS 1823A**) for F2020 and F2021.

Customers taking service under RS 1823B (stepped energy rate) require a BCUC-approved Energy CBL. BCUC approval is also required for a customer to take service under RS 1823A (flat energy rate). Customers taking service under RS 1823A do not have an Energy CBL.

The Application includes five appendices:

- **Appendix A** contains the data BC Hydro used to calculate the Final Adjusted F2020 CBLs and Interim F2021 CBLs for which it is seeking the BCUC's approval;
- **Appendix B** contains the signed F2020 CBL Statements of Account for applicable transmission service customer accounts identified in Appendix A;
- **Appendix C** contains unsigned F2020 CBL Statements of Accounts for applicable transmission service customer accounts identified in Appendix A;
- **Appendix D** contains copies of BC Hydro's written CBL determinations for RS 1823 transmission service customers in accordance with Tariff Supplement No. 74 (**TS 74**) Customer Baseline Load Determination Guidelines;¹ and

¹ All references to TS 74 are to the version approved by Commission Order No. G-69-20 effective April 1, 2019.

- **Appendix E** contains the draft BCUC order.

Appendices A, B, C and D contain confidential customer information and are filed on a confidential basis with the BCUC only.

BC Hydro is providing the public Application. Commercially sensitive and customer-specific information has been redacted.

A confidential version of the Application is filed under separate cover.

1 Application

In this application, BC Hydro seeks approval of Final Adjusted F2020 CBLs on a final and permanent basis, and Interim F2021 CBLs on an interim basis. These CBLs are shown in Appendix A in the columns titled “Final Adjusted F2020 CBL for Final Approval” and “Interim F2021 CBL for Interim Approval”, respectively.

BC Hydro also seeks approval, on a final and permanent basis, for customer sites taking service under RS 1823A during F2020 and, on an interim basis, for customer sites that have been transferred to (or will remain on) RS 1823A in F2021. All RS 1823A customer sites are shown in Appendix A as the green highlighted rows.

Since the Energy CBL of a customer or the placement of a customer on RS 1823A is required for energy billing purposes under RS 1823, and all Energy CBLs and any decision to place a customer on RS 1823A require BCUC approval in accordance with RS 1823 and TS 74, BC Hydro requests orders from the BCUC with respect to the following matters:

1. Pursuant to sections 58 to 61 of the UCA, approval on a final basis of the Final Adjusted F2020 CBLs, effective April 1, 2019, and of the placement of specific customers on RS 1823A during F2020; and
2. Pursuant to sections 58 to 61, 89 and 90 of the UCA and section 15 of the *Administrative Tribunals Act*, approval on an interim basis of the Interim F2021 CBLs, effective April 1, 2020, and of the placement of specific customers on RS 1823A effective April 1, 2020.

Approval of the first requested order will allow BC Hydro to make any necessary F2020 energy billing adjustments on a final and permanent basis effective to April 1, 2019, as contemplated by BCUC Order No. G-69-20.

Approval of the second requested order will allow BC Hydro to bill customers for RS 1823 energy purchases during the F2021 Billing Year (as defined in RS 1823) using the appropriate Interim F2021 CBL or RS 1823A treatment.

2 F2020 and F2021 CBL Review Process

BC Hydro has submitted all CBL determinations proposed in this application to the applicable RS 1823 customer for review and comment prior to filing. All CBL determinations proposed in this application have been made in accordance with the provisions of TS 74 and remain subject to BCUC approval.

BC Hydro first looks back on the prior Billing Year (i.e., F2020) to apply any eligible CBL adjustments to the Interim F2020 CBL previously approved by BCUC Order No. G-69-20 dated March 27, 2020.

In accordance with section 6.1.3 of TS 74, customers must submit a completed claim for CBL adjustment to BC Hydro by June 30th of each year. The application of verified adjustments to the Interim F2020 CBL results in the Final Adjusted F2020 CBL for each customer, effective April 1, 2019, and for which this application seeks final approval.

BC Hydro then looks forward to the current Billing Year (i.e., F2021). The Final Adjusted F2020 CBL is used to determine if the customer site - or aggregation of customer sites - falls within, or outside, the annual 90.0 per cent and 110.0 per cent CBL dead-bands of section 4.3 of TS 74. This is the annual CBL re-set determination.

Once the CBL re-set determination is made for F2021, BC Hydro applies any eligible CBL adjustments known at the time to determine the Interim F2021 CBL, effective April 1, 2020, and for which this application seeks interim approval.

3 CBL Adjustment Summary

The total of customer CBL adjustments proposed by BC Hydro in this filing is summarized in [Table 1](#) below. For a complete breakdown of CBL adjustments by adjustment category, please refer to [Table 2](#) (F2020 Billing Year) and [Table 3](#) (F2021 Billing Year).

Table 1 Final Adjusted F2020 CBL and Interim F2021 CBL Adjustment Summary

F2020 and F2021 CBL Adjustment Summary	CBL (GWh)
Approved Interim F2020 CBL	11,732
Net F2020 CBL Adjustments (to end F2020 Billing Year)	530
Final Adjusted F2020 CBL	12,262
Net Interim F2021 CBL Adjustments (to start F2021 Billing Year)	93
Interim F2021 CBL	12,354

3.1 F2020 Billing Year – CBL Adjustment and RS 1823A Summary

3.1.1 CBL Adjustments during F2020

The consolidated total of customer-specific F2020 CBL adjustments that BC Hydro is proposing for the sites served under RS 1823B, and seeking final approval for, is shown in [Table 2](#) below by CBL adjustment category. The net F2020 CBL adjustment impact is an increase of 530 GWh.

Table 2 F2020 CBL Adjustment Summary

CBL Adjustment Category	TS 74 Section Reference	CBL Adjustment (GWh)
M&V Changes to BC Hydro-funded DSM and LDA Energy	<i>Sections 4.1.2.4 and 6.1 and section 4.3.2 of Attachment B Guidelines</i>	57
M&V Changes to Customer-funded DSM	<i>Sections 4.1.1 and 6.1</i>	(95)
New BC Hydro-funded DSM	<i>Section 4.1.2</i>	(4)
Net Plant Capacity Increase	<i>Section 4.1.3 and 6.1</i>	(33)
Plant downsizing	<i>Section 4.6.2</i>	0
Permanent plant shutdown (removal)	<i>Section 4.1.6</i>	0
Equipment (shutdown)/re-start	<i>Sections 4.1.4 and 4.1.5</i>	(253)
CBL added for customers moving to RS 1823B	<i>Section 3.1.3</i>	1,597
Pro-ration of F2020 CBL	<i>Sections 4.2.2 and 4.6</i>	(983)
F2020 Other (includes Variable Output Hydrology adjustment and co-located load adjustment)	<i>Attachment B, section 3.3.1 Section 4.1.6</i>	216
F2020 CBL Adjustment for Leap Year (366 days)	<i>Section 4.2.4</i>	29
	NET F2020 CBL ADJUSTMENT	530²

² Numbers may not precisely add due to rounding.

3.1.2 Customer Sites on RS 1823B During F2020

Total RS 1823B energy purchases for F2020 were 10,503 GWh. At the commencement of F2020, there were a total of 108 unique customer sites taking transmission service under RS 1823B. During F2020, there were transfers to and from RS 1823B as set out below:

- Seven sites were transferred from RS 1823B to RS 1823A;
- Four sites were transferred to RS 1823B from RS 1823A;
- Three sites were transferred from RS 1823B to RS 1828 under the Biomass Energy Program;³ and
- One site (Armex) was served under RS 1823B until it was permanently shutdown and disconnected from the BC Hydro transmission system.

The annual Energy CBL for customer sites transferred from RS 1823B to RS 1823A or RS 1828, as applicable, was pro-rated to reflect the number of days between the start of the Billing Year and the date of transfer. This pro-ration methodology was also applied to the Armex site, effective as of the date of disconnection.

The annual Energy CBL determined for the customer sites transferred to RS 1823B from RS 1823A during F2020 was pro-rated to reflect the number of days between the date of transfer to RS 1823B and the end of the Billing Year.

3.1.3 Customer Sites on RS 1823A during F2020

Total F2020 RS 1823A energy purchases were 2,110 GWh. At the commencement of F2020, there was a total of 35 customer sites taking service under the provisions of RS 1823A. During F2020, there were transfers to and from RS 1823A as described above.

3.2 F2021 Billing Year – Interim CBL Adjustment and RS 1823A Summary

3.2.1 Interim F2021 CBL Determinations

As of April 1, 2020 (i.e., the commencement of F2021), there was a total of 142 unique customer sites taking transmission service under RS 1823.

Of these, 104 customer sites have an Interim F2021 CBL as determined by BC Hydro and will take service under the provisions of RS 1823B. The remaining 38 customer sites will take service under the provisions of RS 1823A.

³ Transfer to RS 1828 arises from the execution of Electricity Purchase Agreement (EPA) under the Biomass Energy Program and pursuant to Order in Council No. 158, dated April 1, 2019.

The 104 customer sites taking service under RS 1823B at the commencement of F2021 include five customer sites that had an Interim F2021 CBL⁴ determined by BC Hydro in consultation with the customer and were transferred to RS 1823B effective April 1, 2020.

The Interim F2021 CBL adjustments proposed by BC Hydro, summarized by adjustment category, are shown in [Table 3](#) below. The net Interim F2021 CBL adjustment impact is an increase of 110 GWh.

Table 3 Interim F2021 CBL Adjustment Summary

CBL Adjustment Category	TS 74 Section Reference	CBL Adjustment (GWh)
Annual balance of Plant Capacity Increase	<i>Section 4.1.3.2</i>	31
Plant Downsizing	<i>Section 4.6.2</i>	0
Permanent plant shutdown/removal	<i>Sections 4.1.6 and 4.6.4</i>	(31)
Equipment re-start/(shutdown)	<i>Sections 4.6.3 and 4.6.4</i>	251
F2021 Other	<i>Section 3.1</i>	4
Annual balance of BC Hydro-funded DSM	<i>Section 4.1.2.2</i>	(1)
Net Customer-funded DSM added to (removed from) CBL	<i>Sections 4.3.1 and 6.1</i>	35
F2021 CBL added: Customers moving to RS 1823B	<i>Section 3.1</i>	1,183
F2021 CBL removed: Customers moved to RS 1823A	<i>Section 4.6</i>	(731)
Pro-ration of F2021 CBL	<i>Section 4.2</i>	21
F2021 CBL removed: Annual re-sets < 90% of Final Adjusted F2020 CBL	<i>Section 4.3.1</i>	(649)
F2021 CBL added: Annual re-sets > 110% of Final Adjusted F2020 CBL	<i>Section 4.3.1</i>	9
Leap Year Removal	<i>Section 4.2.4</i>	(29)
	NET F2021 CBL ADJUSTMENT	93⁵

⁴ Interim F2021 CBL was determined using F2020 annual energy consumption, adjusted as applicable for eligible events submitted to BC Hydro and verified in accordance with TS 74.

⁵ Numbers may not precisely add due to rounding.

3.2.2 CBL Annual Resets

There are a total of seventeen customer sites with Interim F2021 CBL annual re-sets due to actual or adjusted F2020 billed energy consumption being outside of the annual CBL dead-bands in accordance with section 4.3 of TS 74.

- Twelve customer sites had their Interim F2021 CBL re-set down because adjusted F2020 energy consumption was below the 90.0 per cent dead-band; and
- Five customer sites had their Interim F2021 CBL re-set up because adjusted F2020 energy consumption was above the 110.0 per cent dead-band.

3.2.3 Customer Sites on RS 1823A to start F2021

A total of 38 customer sites are proposed to receive transmission service under the provisions of RS 1823A at the commencement of F2021. These sites are experiencing changes in electrical load that are sufficiently variable and/or complex such that, in each case, BC Hydro and the customer have agreed that it is impractical to develop an Energy CBL under TS 74. Refer to the CBL determination letters in Appendix D for details.

4 Customer Consultation Process

Per section 6.2.1 of TS 74, BC Hydro has submitted all Final Adjusted F2020 and Interim F2021 CBL determinations to the applicable customer for review and comment prior to the filing of this application.

As in previous years, the customer consultation has been conducted by BC Hydro Key Account Managers and Transmission Rates staff who made themselves available to review any and all changes in person, by phone and in writing at the customer's discretion.

For efficiency, each customer was requested to confirm to BC Hydro that they have reviewed the F2020 CBL Statement (which specifies the Final Adjusted F2020 CBL and Interim F2021 CBL proposed) and verify it to be a complete and accurate record.

- All but three customers for whom BC Hydro has filed a CBL for approval in this Application have provided written verification by signing the F2020 CBL Statement, despite there being no tariff requirement for the customer to do so.
- Signed CBL Statements are provided in Appendix B. Unsigned CBL Statements are provided in Appendix C. The reasons why three customers did not sign their F2020 CBL Statement are provided in section [4.1.1](#) below.

Where applicable, a CBL Determination letter was provided to the customer to explain the application of TS 74 to their unique circumstances. CBL Determination letters are provided in Appendix D.

- Customers who were billed for energy under the provisions of RS 1823A for F2020 and who are proposed to remain on RS 1823A for F2021 are not presented with a F2020 CBL Statement for signature as there is no CBL to review. However, these customers do receive a CBL determination letter to explain the decision, as provided in Appendix D.

4.1.1 Rationale for Customer Sites with Unsigned CBL Statements

As noted above, three customers did not sign the CBL Statement prepared for them. BC Hydro understands this was for the following reasons:

- **Armex Mining Corp.** – effective June 28, 2019 this customer site was permanently shutdown and disconnected from the BC Hydro transmission system. The customer's Electricity Supply Agreement has been terminated and the account is closed;
- **Longo Development Corp.** – The Interim F2020 CBL determined for this site by BC Hydro is currently in dispute and remains before the BCUC for review and decision as part of a separate BCUC process; and
- **Neucel Specialty Cellulose** – this site was permanently shutdown and declared bankruptcy at the end of F2020. The site was placed under receivership in April 2020. The receiver had no responsibility for the site during F2020 and there is no longer a Neucel representative to sign the CBL Statement.

5 Non-recurring Downtime due to the COVID-19 Pandemic

The COVID-19 pandemic is an unprecedented circumstance that impacted some RS 1823 customer operations starting from around March 2020. BC Hydro announced its COVID-19 Industrial relief initiatives for transmission service customers in April 2020 and advised customers with operating plants that requests for events of electrical load reduction related to COVID-19 should be submitted to BC Hydro under section 4.4.1.5 of TS 74 for Non-recurring Downtime. BC Hydro considers that COVID-19 requests submitted in F2021 should also be eligible for consideration as Non-recurring Downtime.

6 Proposed BCUC Review Process

This Application will allow customers a further opportunity for review of the Final Adjusted F2020 CBLs and Interim F2021 CBLs that BC Hydro has proposed for them.

At the time of filing this Application, no customers other than Longo Development Corp. have identified a dispute or raised any issue with BC Hydro's determination of their CBLs as described in this Application.

Consistent with past practice, the BCUC could request that RS 1823 customers confirm in writing whether they agree with - or dispute - the Final Adjusted F2020 CBL, Interim F2021 CBL, or RS 1823A treatment proposed by BC Hydro in this Application. Notice of dispute should be provided to the BCUC in accordance with section 6.2.3 of TS 74.

Customers that do not notify the BCUC of a dispute would be presumed to have accepted the CBLs proposed by BC Hydro.

As noted above, BC Hydro is not presently aware of any disputes related to the CBL Statements that have been signed. However, should a customer subsequently provide notice of dispute regarding the Final Adjusted F2020 CBL, Interim F2021 CBL, or RS 1823A treatment proposed for them in this Application, the BCUC could establish a separate process to review the dispute.

7 Confidential Information

This Application includes the actual and adjusted F2020 electricity consumption data and proposed Energy CBLs for BC Hydro's RS 1823 customers. This includes detailed information about customer-specific plant capacity changes, operating changes and conservation and self-generation projects.

Most customers consider this information to be commercially sensitive and confidential because competitors could use it to estimate the customer's production levels and production efficiency. BC Hydro has consistently treated this customer information as confidential.

To maintain confidentiality, BC Hydro is filing the complete versions of Appendices A, B, C and D only with the BCUC and requests that this information be held in confidence. BC Hydro will distribute copies of the Application to customers for whom BC Hydro is applying to change CBLs, but they will be provided with only the information in Appendices A, B C and D that relates solely to their CBL and not the information that relates to other customers' CBLs.

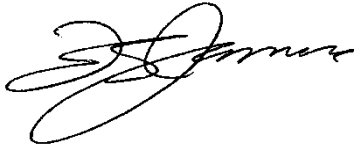
In light of these confidentiality concerns, the BCUC has previously established confidential processes to review BC Hydro's CBL Applications. BC Hydro suggests that the same process be used again for the BCUC's review of this application.

January 7, 2021
Ms. Marija Tresoglavic
Acting Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Transmission Service Rate (TSR) Customer Baseline Load
F2020 and F2021 Application (the Application)

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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

ac/ma

Enclosure (1)

**Transmission Service Rate Customer Baseline
Load F2020 and F2021 Application**

Appendix A

Final Adjusted F2020 CBLs and Interim F2021 CBLs

PUBLIC

CONFIDENTIAL ATTACHMENT

FILED WITH BCUC ONLY

**Transmission Service Rate Customer Baseline
Load F2020 and F2021 Application**

Appendix B

Signed F2020 CBL Statements of Account

PUBLIC

**CONFIDENTIAL
ATTACHMENT

FILED WITH BCUC
ONLY**

**Transmission Service Rate Customer Baseline
Load F2020 and F2021 Application**

Appendix C

Unsigned F2020 CBL Statements of Account

PUBLIC

**CONFIDENTIAL
ATTACHMENT

FILED WITH BCUC
ONLY**

**Transmission Service Rate Customer Baseline
Load F2020 and F2021 Application**

Appendix D

**BC Hydro CBL Determination Letters
for RS 1823 Customers in Accordance with TS 74**

PUBLIC

**CONFIDENTIAL
ATTACHMENT**

**FILED WITH BCUC
ONLY**

Transmission Service Rate Customer Baseline Load F2020 and F2021 Application

Appendix E

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)
Transmission Service Rate Customer Baseline Load F2020 and F2021
Application

BEFORE:

Commissioner
Commissioner
Commissioner

on Date

ORDER

WHEREAS:

- A. On January 7, 2021, BC Hydro filed with the British Columbia Utilities Commission (Commission), pursuant to sections 58 to 61, 89 and 90 of the *Utilities Commission Act* (the Act) and section 15 of the *Administrative Tribunals Act*, the Transmission Service Rate (TSR) Customer Baseline Load (CBL) F2020 and F2021 Application (Application);
- B. Specifically, the Application requests approval for:
- (i) On a final and permanent basis, the “Final Adjusted F2020 CBLs for Final Approval” column contained in Appendix A of the Application, effective April 1, 2019;
 - (ii) On an interim basis, the “Interim F2021 CBLs for Interim Approval” column contained in Appendix A of the Application, effective April 1, 2020;
 - (iii) On a final and permanent basis, the placement of specific customers on Rate Schedule 1823A as contained in Appendix A of the Application, effective April 1, 2019; and
 - (iv) On an interim basis, the placement of specific customers on Rate Schedule 1823A as contained in Appendix A of the Application, effective April 1, 2020;
- C. By Order G-69-20 dated March 27, 2020, the BCUC approved the F2020 Interim CBLs, effective April 1, 2019, and the placement of specified customers on RS 1823A, all on an interim basis until further application;
- D. In the Application, BC Hydro states that pursuant to section 6.2.1 of TS 74, it has submitted all CBL determinations reflected in the Application to each TSR customer for review and comment prior to filing the Application;

- E. Pursuant to TS 74 and RS 1823, all CBLs and any decision to put a customer on Rate Schedule 1823A are subject to final approval by the Commission;
- F. BC Hydro filed a public and a confidential version of the Application. The confidential version includes a complete version of Appendices A, B, C and D;
- G. BC Hydro requests that Appendices A, B, C and D of the Application and the associated customer information be held in confidence as they contain commercially sensitive information; and
- H. The Commission reviewed the Application and considers that the approvals sought as described in Recital B are warranted.

NOW THEREFORE pursuant to sections 58 to 61, 89 and 90 of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

1. The Final Adjusted F2020 CBLs, effective April 1, 2019, in the column identified as “Final Adjusted F2020 CBL for Final Approval” contained in Appendix A of the Application are approved on a final and permanent basis.
2. The placement of specified customers on Rate Schedule 1823 Energy Charge A (RS 1823A) in F2020 contained in Appendix A of the Application is approved on a final and permanent basis.
3. The F2021 Interim CBLs, effective April 1, 2020, in the column identified as “Interim F2021 CBL for Interim Approval” contained in Appendix A of the Application are approved on an interim basis until further application.
4. The placement of specified customers on RS 1823A in F2021 contained in Appendix A of the Application is approved on an interim basis until further application.
5. The Commission will hold confidential the information in Appendices A, B, C and D of the Application and the associated customer information as they contain commercially sensitive information

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