

**Distribution Extension Workshop Feedback**

**INTRODUCTION:**

We're preparing to submit Rate Design Applications to the BC Utilities Commission.

We plan to submit an application to propose a few new rate options and/or changes for residential customers, Non-Integrated Areas rates, Net Metering Rate, and proposed updates to the Electric Tariff Terms and Conditions. In addition, we plan to advance an application to update our Distribution Extension Policy.

We're asking for your feedback to inform the new rate options and updates we advance through these applications. Please refer to the workshop presentation slides for information as you complete this survey. For each question, we have indicated if there are relevant presentation slides that you should be referencing.

Please be aware that your feedback, including the organization you're representing, will be included in these applications and be part of the public record for the regulatory proceeding. Due to privacy concerns, we ask that you do not identify third-party individuals or account specific information in your comments. Comments that reference identifiable individuals will not be included as part of the public record.

Any personal information you provide to BC Hydro on this form is collected and protected in accordance with the Freedom of Information and Protection of Privacy Act, Section 26(c). BC Hydro is collecting information with this for the purpose of rate design in accordance with BC Hydro's mandate under the Hydro and Power Authority Act, the BC Hydro Electric Tariff, the Utilities Commission Act and related Regulations and Directions. If you have any questions about the collection or use of the personal information collected on this form please contact the BC Hydro Regulatory Group at [bchydroregulatoryfeedback@bchydro.com](mailto:bchydroregulatoryfeedback@bchydro.com)

Please submit your feedback by December 15th, 2023.

**CONTACT DETAILS:**

Name:	
Title:	
Organization:	
Email Address:	

**DISTRIBUTION EXTENSION**

We would like to get your feedback on the issues discussed during the Distribution Extension Workshop. Please refer to the presentation found on [Public workshops & feedback \(bchydro.com\)](https://www.bchydro.com/public-workshops-feedback).

**SECTION ONE: UNITIZED EXTENSION FEES**

With reference to slides 16 to 18, BC Hydro incorporated feedback from the May 2023 workshop and developed a two-part unitized extension fee option. Averaging and unitizing more extension cost elements increases extension fee simplicity and predictability. However, it decreases the link with cost causation and cost estimate accuracy, i.e., customers could pay more or less than their actual connection costs. This could also increase BC Hydro's risk of cost under-recovery that would need to be recovered from all customers.

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1. Which of the following extension fee calculation options do you prefer?	a. Status Quo <i>Detailed estimate based on actual project scope and costs (based on cost causality). This option provides the most cost estimate accuracy.</i>	
	b. May 2023 Workshop Option <i>Unitized extension fee based on load size only. By averaging all extension projects based on connection load only, this option provides the most simplicity but the least cost estimate accuracy (not based on cost causality).</i>	
	c. November 2023 Workshop Option <i>Unitized extension fee based on load size, construction method (overhead or underground) and distance from the customer site to BC Hydro’s distribution system (based on cost causality). By averaging similar elements of extension project, this option increases cost predictability but decreases cost estimate accuracy.</i>	
	d. Unsure	
Comments:		

2. In the November 2023 workshop, BC Hydro introduced the concept of including service connection in connection costs eligible to be offset by BC Hydro’s contribution. (Note: the cost of installing BC Hydro’s revenue meter would remain ineligible to be offset by the contribution). Currently, the cost of the service connection is not eligible to be offset by BC Hydro’s contribution per section 8.3 of the Electric Tariff.  
Do you have any comments regarding service connection costs eligible to be offset by BC Hydro’s contribution?

Comments:	
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**SECTION TWO: EXTENSION FEE REFUND**

With reference to slides 20 to 23, BC Hydro is considering:

- Extending the current extension fee refund window for large extension projects from 5-years up to 10-years and automatically reviewing all eligible projects to eliminate the administrative burden for customers. To balance BC Hydro’s administrative costs, reviews would be conducted at the end of their refund window (5 or 10-year period) instead of annually.
- Stop auto-refunding small extension projects (extension fees less than \$5,000) and establishing an eligibility threshold to recognize that smaller projects rarely have subsequent infill customers, to protect all ratepayers.

3. Do you support the potential program change to automatically review refunds to larger projects that have a higher chance to receive refunds and stop auto-refunding smaller projects because smaller projects rarely would be eligible for refunds based on BC Hydro’s analysis?	Strongly Agree	Agree	Neutral	Disagree (Please Specify)	Strongly Disagree (Please Specify)

Comments:	
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4. Do you support the potential program change to extend the eligible refund period from 5 years to 10 years? However, to balance BC Hydro’s administrative costs, reviews will be conducted at the end of the eligible refund window, instead of annually upon customers’ applications.	Strongly Agree	Agree	Neutral	Disagree (Please Specify)	Strongly Disagree (Please Specify)
Comments:					

**SECTION THREE: SYSTEM IMPROVEMENT COSTS**

With reference to slide 26, BC Hydro showed that currently some customers trigger system improvement costs while others don’t depending on the available capacity of BC Hydro’s distribution system at the time of the request. To improve fairness, BC Hydro plans to change how system improvement costs are recovered and apply a unitized fee to all new connection customers based on customers’ connected load with the exception of rare scenarios that could trigger extraordinary costs (safety valve).

5. Do you support BC Hydro’s proposal to simplify and apply the same unitized system improvement fee to all customers, large or small, who request new connections to BC Hydro’s system?	Strongly Agree	Agree	Neutral	Disagree (Please Specify)	Strongly Disagree (Please Specify)
Comments:					

**SECTION FOUR: BC HYDRO’S CONTRIBUTION**

With reference to slide 28, BC Hydro’s contribution refers to future revenue the newly connected customers will contribute to the costs to improve BC Hydro’s system. BC Hydro estimates this future revenue contribution and provides this credit to offset new connection customers’ costs. The average residential and commercial contribution amounts were last updated in 2007. BC Hydro is evaluating the appropriate portion and duration of connected customers’ future revenue to be included in the contribution. We will propose an update to the contribution to align with cost causation and to reflect current rates.

6. Do you have any comments on the current calculation of contribution as explained in the workshop?					
7. Thank you for your time. If you have any additional feedback about the workshop or on this topic, please leave your comments in the box below:					