2015 RATE DESIGN APPLICATION (RDA)

DISTRIBUTION EXTENSION POLICY – WORKSHOP #1

BC hydro

FOR GENERATIONS

16 December 2014

Agenda

Approximate Time	Item	Presenter(s)
9 :00 – 9:30	Welcome Topic 1: Introduction: Background , Terminology & Stakeholder Engagement to date Assessing Distribution Extension Policy - Bonbright criteria, BCUC 1996 System Extension Test (SET) Guidelines, Jurisdictional assessment, state of Distribution system	Anne Wilson Gord Doyle
9:30 -10:15	Topic 2: What should BC Hydro's Maximum Contribution cover? Jurisdictional assessment, Extensions vs. System Improvement (SI), Options for Recovery of SI costs	Sam Jones, Kevin Lim-Kong
10:15-10:30	Break	
10:30 – 11:15	Topic 2: Continued	Sam Jones, Kevin Lim-Kong
11:15 – 12:00 PM	Topic 3: Options for Updating BC Hydro's Maximum Contribution	Kevin Lim-Kong
12:00 – 1:00	Break for Lunch	
1:00 – 2:00	Topic 4: Other Issues – Extension Fee Refunds, Connection Charges	Rena Messerschmidt
2:00 – 2:15	Closing and Next Steps	Anne Wilson

TOPIC #1: INTRODUCTION

Presenter

Gordon Doyle

BACKGROUND

- Section 8 of BC Hydro's Electric Tariff governs Distribution service customer (35 kilovolts or less) requests to connect their premises to BC Hydro's Distribution system
  - Six Distribution service customer classes: Residential; three General Service categories: Small General Service, Medium General Service, Large General Service; Irrigation; and Street Lighting

- Extension provisions of Electric Tariff are meant to provide a method of determining how BC Hydro and a new customer share the costs of serving new customer

- BC Hydro's Distribution Extension policy reviewed by the BCUC as part of the 2007 RDA and related 2008 reconsiderations
  - Focused on BC Hydro's Maximum Contribution for Residential customers

- Since that time there have been only minor changes, such as the May 2013 security-related amendment to section 8.3 of the Electric Tariff applicable to Distribution customers with loads greater than 10 megawatts

TERMINOLOGY

- Section 1 of the Electric Tariff contains definitions used at today's workshop:

- **BC Hydro's Contribution**
  - *BC Hydro's contribution toward the Estimated Construction Cost of an Extension, as determined in Section 8* [of the Electric Tariff].

- **Estimated Construction Cost**
  - *Cost estimated by BC Hydro to construct the Extension or provide a Service Connection*.

- **Extension**
  - *An addition to or the increased capacity of BC Hydro's electric distribution system required to serve a new Customer load or an addition to an existing Customer load, but not including a Service Connection.*

TERMINOLOGY

- **Extension Fee**
  - *A contribution-in-aid of construction of an Extension from the customer.* [Note: Extension Fee is the Estimated Construction Cost of Extension less BC Hydro's Maximum Contribution].

- **Point of Delivery**
  - *The location where BC Hydro's wires or cables are connected to the meter, the Customer's wiring, or the Customer's switch, whichever comes first.*

- **System Improvement Costs**
  - *The incremental costs that BC Hydro estimates will be incurred on the distribution system, including distribution substations, attributed to a Customer's new load.*

- **Service Connection**
  - *That part of the BC Hydro distribution facilities extending from the first attachment point on the BC Hydro distribution system to the Point of Delivery.*

TERMINOLOGY

- The 2007 RDA Decision and this workshop use the term "**BC Hydro's Maximum Contribution**"
  - This is the maximum contribution that BC Hydro is prepared to make toward an Extension in Zone I (BC Hydro integrated system) as set out in section 8.3 of the Electric Tariff by customer class:

Rate Class	Maximum BC Hydro Contribution
Residential	$1,475 per Single-Family Dwelling (SFD)
General Service	$200 per kilowatt (kW) of Estimated Billing Demand
Street Lighting	$150 per Fixture
Irrigation	$150 per kW of Estimated Billing Demand

  - BC Hydro can use Maximum Contribution as an offset; however, if Extension cost is low, all of BC Hydro's Maximum Contribution may not be required

STAKEHOLDER ENGAGEMENT TO DATE

- BC Hydro proposed a review of Section 8 of its Electric Tariff as part of the 2015 RDA at Workshop 1 in May 2014
    - Suggestions that Distribution Extension policy could be part of a later RDA module
- BC Hydro held sessions with Distribution customers in July and August 2014 in Langford (Vancouver Island), Victoria and Vancouver
    - Mostly attended by developers, with some B.C. Ministry, municipal and engineering firm representation
    - Issues raised - cost allocation for Extensions; potential application of Municipal Development Charge Cost (DCC) model for SI Cost; Extension Fee refunds (pioneer policy)
    - Summary of input is contained in an October 2014 report posted to BC Hydro's RDA website

APPLICATION OF BONBRIGHT CRITERIA TO DISTRIBUTION EXTENSION POLICY

Fairness
- Fair apportionment of costs among customers
- Avoidance of undue discrimination

Efficiency
- Price signals that encourage efficient use and discourage inefficient use

Practical
- Practical & cost effective to implement

Customer Acceptance
- Customer understanding and acceptance
- Freedom from controversies as to proper interpretation

Revenue / rate impacts
- Recovery of the revenue requirement
- Revenue stability
- Rate & bill stability

APPLICATION OF BONBRIGHT CRITERIA TO DISTRIBUTION EXTENSION POLICY

BC Hydro prioritizes the following three Bonbright criteria for Distribution Extension policy:

1. ***Fairness*** – balance interests of existing customers with those of new customers, and between new customers:
   - 1996 SET Guideline 1: “The Commission recommends that, as a general principle, the costs of system extensions be allocated to those customers who caused them”
   - BCUC 2007 RDA decision: Highlighted what is now subsection 5(d) of Direction No. 7 – power to be made available on a cost of service basis; incremental (marginal) cost of energy to be set aside in SET calculations
   - BCUC held that rate structures such Tier 2 of Residential Inclining Block rate address marginal cost of energy issue
2. ***Customer Understanding and Acceptance*** – Provide consistent treatment within customer classes to the extent site specific circumstances permit
   - Equity, consistency and transparency in application were raised by stakeholders in July/August sessions
3. ***Practical & Cost Effective to Implement***

BCUC 1996 SET GUIDELINES

- BC Hydro's Distribution Extension policy is generally consistent with 1996 SET Guidelines
- BC Hydro uses a Discounted Cash Flow (DCF) test methodology
  - Guideline 1: DCF evaluation to include, to extent feasible, all incremental costs (except energy per 2007 RDA decision) and benefits associated with extension over a period of time long enough to consider full impact of extension
    - BC Hydro uses a discount period of 20 years per 2007 RDA decision
  - Guideline 5 contains BCUC recommendations on costs and benefits to be considered in evaluation
  - DCF evaluation to be performed from utility perspective (discount rate based on utility Weighted Average Cost of Capital (WACC))

JURISDICTIONAL ASSESSMENT AND STATE OF DISTRIBUTION SYSTEM

- BC Hydro reviewed Distribution Extension policies of 12 Canadian jurisdictions:
  - ATCO Electric (Alberta), Fortis Alberta, FortisBC (gas and electric), Hydro Quebec, Hydro Ottawa, Manitoba Hydro, Maritime Electric (Prince Edward Island), New Brunswick Power, Nova Scotia Power, Newfoundland Power, SaskPower, Toronto Hydro
  - In contrast to Transmission extensions it is often difficult to determine what utilities contribute to solely by reviewing their Tariffs e.g., definition of the term ‘Extension’
  - It appears to BC Hydro that some jurisdictions have the ability to allocate some or all SI type – related costs to new customers
- An additional consideration is the fact that the Distribution system is more constrained than when the Distribution Extension policy was last reviewed in 2007

TOPIC #2: WHAT SHOULD BC HYDRO'S MAXIMUM CONTRIBUTION COVER?

Presenter

Sam Jones & Kevin Lim-Kong

EXISTING COST ALLOCATION

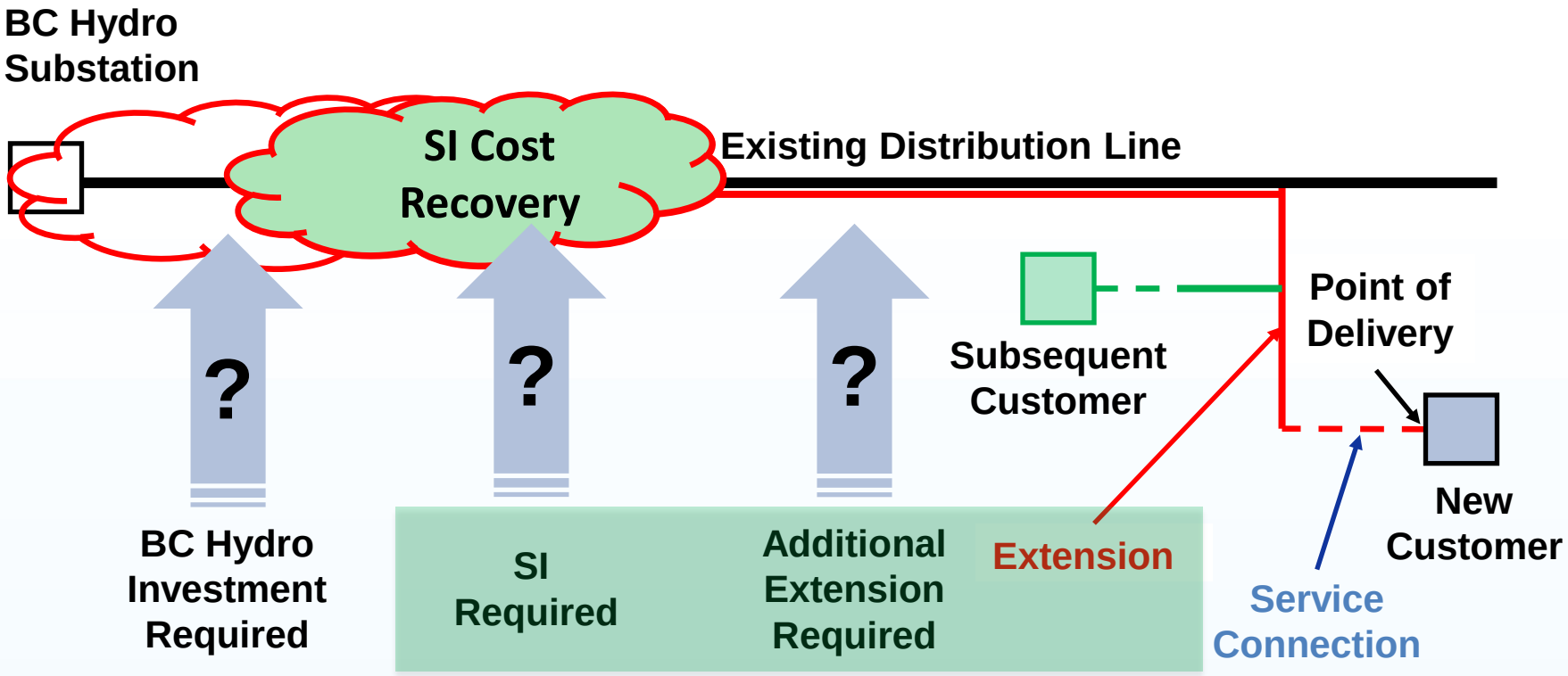
Summary of existing Electric Tariff cost allocation:

- In all cases, new customer is allocated costs for Service Connection
- Cost of construction for Extension and any attributable SI is allocated to new customer but can be offset by BC Hydro's Maximum Contribution
- Costs of improvements not required to connect new customer are allocated to BC Hydro:

	Costs allocated to:	Cost offset by BC Hydro's Maximum Contribution
Service Connection	New Customer	No
Extension	New Customer	Yes
SI	New Customer if new customer demand is >500 kilovolt-ampere (kVA) BC Hydro if new customer demand is <500 kVA	Yes
BC Hydro Investment	BC Hydro	N/A

EXISTING COST ALLOCATION

ILLUSTRATIVE DISTRIBUTION CONNECTION



- New customer is allocated costs of Service Connection, Extension and SI Costs
- Service Connection costs are always paid for by the customer whereas the Extension and SI Costs can be offset by BC Hydro's Maximum Contribution

JURISDICTIONAL ASSESSMENT

- BC Hydro uses new residential customer examples for purpose of this Workshop
- It can be difficult to determine which utilities allocate some or all SI-related costs to new customers, e.g. usually appear as ‘high level statements’ - if customer extension requires upgrades to utility facilities, upgrades may form part of customer’s extension cost
- For Workshop purposes, BC Hydro grouped reviewed utilities into three general categories:
- **Category #1a (Revenue Test - Excluding Generation/Transmission Revenue)**: BC Hydro’s existing approach – customer pays for Extension and SI; present value (PV) of expected Distribution-related revenue over a 20 year period using 8% discount factor used to determine utility maximum contribution toward new residential customer Extension and SI Costs
  - BC Hydro’s Maximum Contribution is presently $1475 per SFD

JURISDICTIONAL ASSESSMENT

- **Category #1b (Revenue Test Variation – Inclusion of all revenues)**: SaskPower, Manitoba Hydro – revenue-based test to determine utility's maximum contribution for new residential customer extensions
  - SaskPower contribution is based on 5 year net present value calculation of revenue and costs to supply a new average customer: $1300 per residence
  - Manitoba Hydro contribution is based on 3 years of revenue: $1,845 for standard heated home, $4,300 for an all-electric home

- **Category #2 (Minimum Distance)**: Many electric utilities contribute up to a maximum of ***x*** meters (m) of extension line for new residential customers and new residential customers pay for remainder of extension:
  - Hydro Quebec – utility contributes up to 100 m of power line
  - Maritime Electric –up to 90 m of single-phase (1PH) overhead (OH) service
  - New Brunswick Power – up to 90 m of 1PH OH service; UG is optional
  - Nova Scotia Power – up to a maximum of 92 m of line or service extension/or 92 m of line and service combined;
  - Newfoundland Power – from 25 m to 85 m of line measured from customer meter and all plant associated with this length of line;
  - Toronto Hydro/Hydro Ottawa – up to 30 m for OH line

JURISDICTIONAL ASSESSMENT

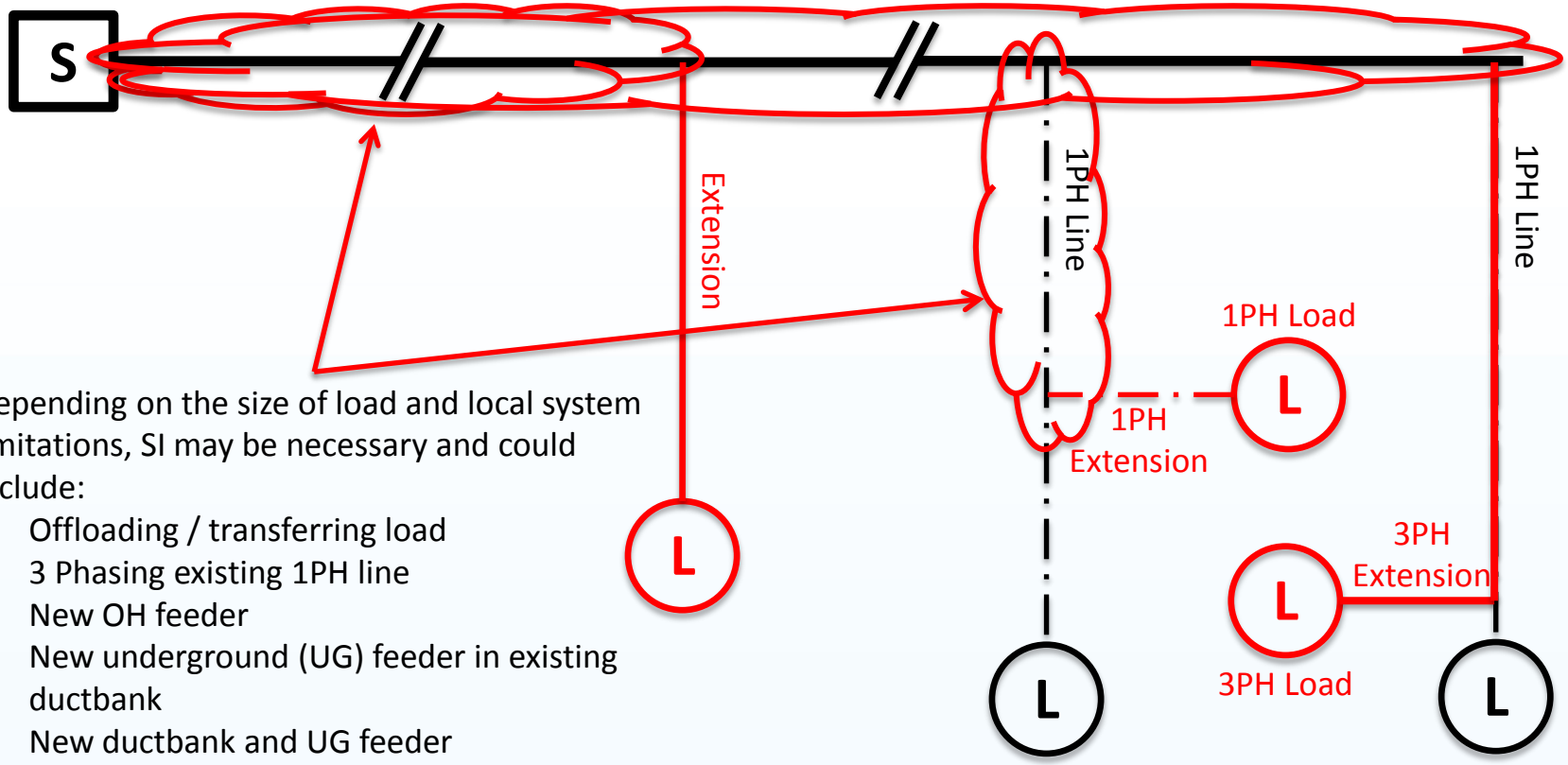
- BC Hydro observations concerning:
  - **Category #1b** – Inclusion of energy is inconsistent with the 2007 RDA Decision and the Heritage Contract
  - **Category #2** – Does not adhere to SET Guidelines; increases risk to existing ratepayers; BC Hydro does not know basis for the ***x*** m determination

EXTENSION VS. SYSTEM IMPROVEMENT

- One issue BC Hydro has heard from customers is the recovery of SI Cost. An important concept to better understand this issue is the difference between System Extensions and SIs
- For purposes of this workshop, BC Hydro views Extension and SI to mean:
  - **Extension** – New and upgraded plant reasonably required to connect new customer or existing customer's additional load to existing distribution system disregarding all other load on circuit (other than customer's existing load if applicable)
  - **SI** – Improvements or augmentations to the existing distribution system upstream of Extension

EXTENSION VS. SYSTEM IMPROVEMENT

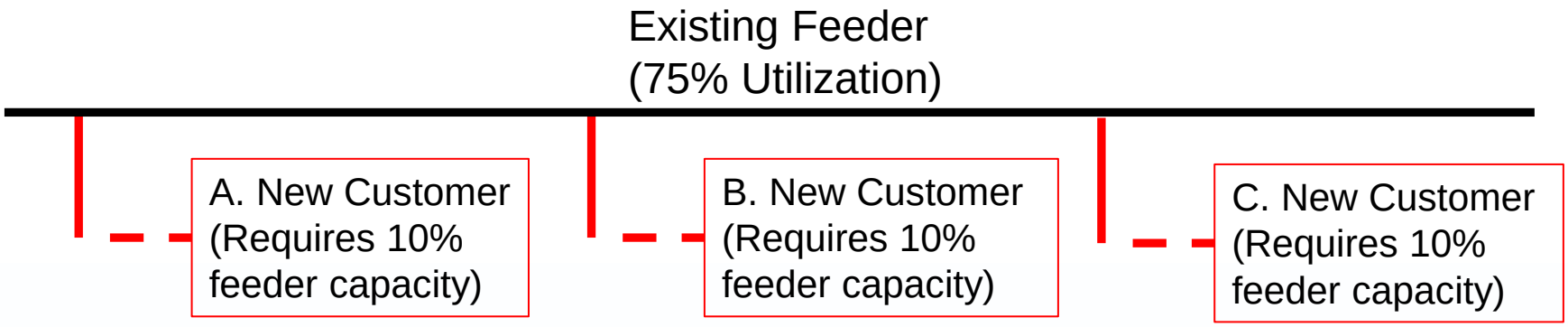
Illustrative Examples:



Depending on the size of load and local system limitations, SI may be necessary and could include:

- Offloading / transferring load
- 3 Phasing existing 1PH line
- New OH feeder
- New underground (UG) feeder in existing ductbank
- New ductbank and UG feeder

SI COST RECOVERY – CURRENT



Currently, for these examples:

A. Would pay for its Extension but would not pay for SI as no facilities would have to be constructed to accommodate

B. Would pay for its Extension but would not pay for SI as no facilities would have to be constructed to accommodate

C. Would pay for its Extension and likely pay for some SI as capacity is insufficient to meet customer's needs

SI COST RECOVERY – OPTIONS

1. **Status Quo – Allocating Proportional SI Costs:**
   - New customers who trigger SI are allocated a proportion of SI Costs

2. **SI Costs are Allocated to BC Hydro:**
   - New customers still responsible for costs of Extensions which could be offset by BC Hydro's Maximum Contribution

3. **Allocating Averaged SI Costs:**
   - SI Costs to support new customers are allocated to new customers by way of a System Improvement Fee using the Municipal Development Cost Charge (DCC) model

OPTION 1 – STATUS QUO ALLOCATING PROPORTIONAL SI COSTS

- Allocate a portion of SI Costs to the new customer who triggers SI

Fairness:

- Intent is to recover costs from those customers who cause them by allocating costs to customers who cause SI, while recognizing in many cases multiple customers including existing customers benefit from SI (improved reliability)
- Ensures that customer who cause SI work are allocated costs attributable to their new load
- Does not balance interests among new customers, as new customers who do not trigger SI will not contribute (except by way of Extension Fee Refund). Cost burden is placed on customer that triggers the SI (‘straw that breaks the camel’s back’)

OPTION 1 – STATUS QUO
ALLOCATING PROPORTIONAL SI COSTS

Customer Understanding and Acceptance:

- Difficult to predict connection costs as a portion of costs still dependent on system limitations at time of request
- Customers may not agree with cost allocations due to complex options to Distribution systems

Practical and Cost Effective to Implement:

- Dependent on clear classification between Extension vs. SI
- Determining customer's demand can be challenging particularly for more complex developments
- Requires a threshold to practically implement

OPTION 2
SI COSTS ALLOCATED TO BC HYDRO

- Recover all SI Costs from existing customers
- Rationale: SI not only enables new customers to connect to system but also benefits existing customers (reliability improvements)

Fairness:

- This could impact existing ratepayers in comparison to Status Quo, particularly in the context of a new customer solely benefiting from the SI

Customer Understanding and Acceptance:

- Easy to explain and for customers to understand
- Existing customers may not accept rate increase to subsidize new customer connections

Practical and Cost Effective to Implement:

- Dependent on clear classification between Extension vs. SI

OPTION 3 – MUNICIPAL DCC MODEL

Background

- DCCs are fees that local governments collect from land developers to offset portion of costs related to services incurred as a direct result of new development
- Costs of new development-related works/services are allocated between developer and existing taxpayers – local governments have considerable discretion as to allocation
- Developers pay DCCs - Applied as one-time charges against residential, commercial industrial and institutional developments
- Collected from developers at the time of subdivision approval or at the time of issuing a building permit

OPTION 3 – MUNICIPAL DCC MODEL

Fairness:

- In the municipal context, a recognized method when costs should be shared in some way among new customers
- All new customers contribute towards upstream costs to support new growth rather than only customers who trigger the upstream costs or only customers over a threshold

Customer Understanding and Acceptance:

- BC Hydro understands that some new customers understand this model as it is implemented by municipalities as a mechanism that distributes costs between existing taxpayers and new developers
- Transparent process - information on which DCCs are based are generally accessible and understandable to stakeholders
- Cost certainty – Assists new customers in their project planning

OPTION 3 – MUNICIPAL DCC MODEL

Practical and Cost Effective to Implement:

- Dependent on clear classification between Extension vs. SI

- It is questionable whether the concept of the DCC is transferrable from a local government context to a utility with a service area as broad and diverse as BC Hydro

  - There is no ‘postage stamp’ concept in the local government context
  - Local governments can and do divide their relatively confined geographic areas into different DCC sectors (e.g., type of development, location)
  - Through DCCs, local government can selectively promote growth or promote densification in certain areas

OPTION 3 – MUNICIPAL DCC MODEL CALCULATING THE "DCC"

Generally, the process to calculate Municipal DCCs is:

1. Project future growth and estimate costs of infrastructure to support the growth over a specified time period
2. Allocate the costs of this infrastructure between new growth and existing users
3. Assign costs attributable to growth to land use types (customer classes)
4. Convert costs into DCC rates per land use type

$$DCC = \frac{Costs\ (to\ support\ new\ growth)}{Number\ of\ lots\ the\ facilites\ will\ support}$$

OPTION 3 – MUNICIPAL DCC MODEL CALCULATING THE AVERAGED SI FEE

To apply to BC Hydro SI:

- New customer still allocated the costs of the Extension
- New customer still eligible for BC Hydro's Maximum Contribution regarding the cost of the Extension
- Eliminate the >500 kVA threshold
- **Charge all new customers an averaged SI Fee based on the average impact that new Distribution load has on the system**

$$SI\ Fee = \frac{SI\ Costs\ (Attributed\ to\ All\ New\ Load)}{Demand\ of\ All\ New\ Load}$$

SI COST OPTIONS

Stakeholder Feedback:

1. **Should BC Hydro continue to assess SI Cost Options 1, 2 and 3?**
2. **Regarding Option 2 and Option 3, should there be an "extraordinary circumstances" clause to account for exceptional cases where SI required for a specific load is well above what is reasonable? Or should these "extraordinary" costs be recovered through SI Fee?**
3. **Regarding Option 2 and Option 3, for a project requiring significant SI work, should security be taken from customer to mitigate any stranded asset risks? If so, for how long?**

TOPIC #3: UPDATING BC HYDRO'S MAXIMUM CONTRIBUTION

Presenter

Kevin Lim-Kong

BC HYDRO'S MAXIMUM CONTRIBUTION

- Applied towards the customer's cost of Extension and SI

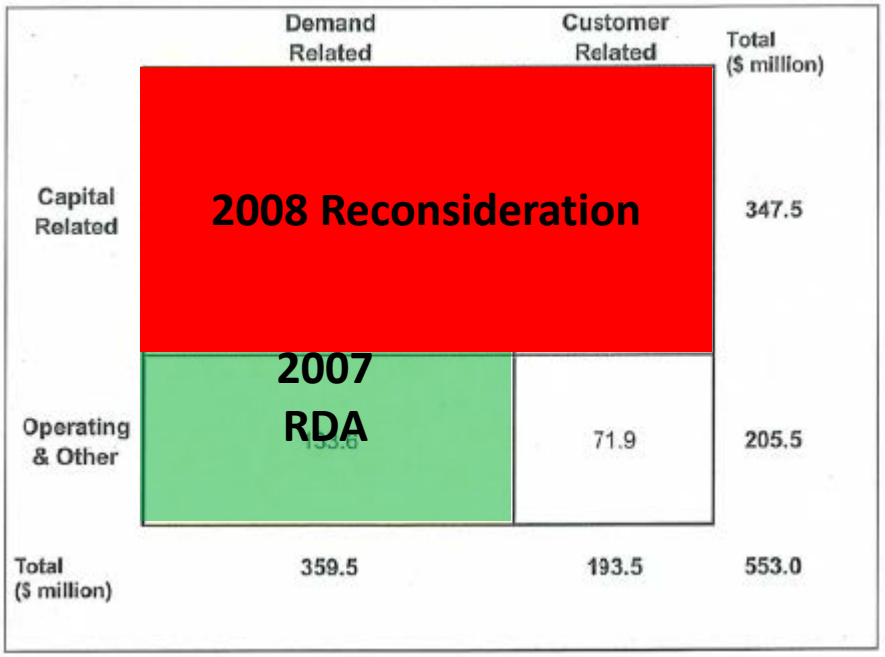
- Broadly, there are two main models to base a utility contribution on:

1. Option #1 – (Category #2 in jurisdictional assessment): Basing utility contribution on maximum line length
   - Inconsistent with 1996 SET Guidelines
   - More risk to existing ratepayers particularly with BC Hydro's geography
2. Option #2 - Basing utility contribution on revenue, e.g. DCF

BC Hydro proposes to continue with Option #2 DCF model as it is consistent with 1996 SET Guidelines and in BC Hydro's view better addresses fairness, but seeks stakeholder feedback concerning whether BC Hydro should continue to explore Option #1

BC HYDRO'S MAXIMUM CONTRIBUTION

- PV calculation of contribution is sensitive to:
  1. Distribution Costs: (*$347.5 Million, see table)
  2. Discount Period: (*20 years)
  3. Discount Rate: (*8% - BC Hydro's 2007 WACC)



* Figures used in 2007 RDA

BC Hydro's current WACC is 7% (nominal). Assuming continuation of Option # 2, BC Hydro proposes to set discount rate to 7% consistent with SET Guidelines, and seeks stakeholder feedback concerning: (1) appropriate Distribution costs to be used in evaluation; and (2) discount period

BC HYDRO'S MAXIMUM CONTRIBUTION

Stakeholder Feedback: What Distribution costs should utility contribution be based on?

Distribution Cost Options after updating discount rate to 7%:

1) Continue to use Distribution Capital-Related costs and update discount period
   - This includes Customer Care-related capital costs such as meters

2) Use Distribution Demand-Related costs and update discount period
   - This includes Distribution demand-related capital, operating and maintenance, and tax costs

3) Use Distribution Demand-Related Capital costs and update discount period
   - This includes pole, conductor and transformer-related costs

BC HYDRO'S MAXIMUM CONTRIBUTION

Stakeholder Feedback: What should discount evaluation period be?

- All things being equal, the longer the period, the greater BC Hydro's Maximum Contribution:
  - 40 years – Distribution infrastructure is expected to have a useful life of 40 years
  - 20 years – Recognizes use of Distribution-related capital costs includes some upstream Distribution costs (e.g., Substation Distribution Asset (SDA) and SI)
  - Consideration of discount period tied to how SI Costs are recovered

Stakeholder Feedback: Should SDA costs be included in the evaluation of the utility contribution?

- SDA costs were excluded in 2007 calculation through the use of a 20 year discount period to preserve a stream of revenue for upstream related capital projects

BC HYDRO CONTRIBUTION – OPTION 1 DISTRIBUTION CAPITAL-RELATED COSTS

	F2008 Cost of Service (COS)	Based on Draft F2016 COS* (Preliminary Estimates)				
	8% No Escalation		7% No Escalation	7% and Revenue Escalated Based on Rate Caps		
	20 Years			20 Years	30 Years	40 Years
Residential ($/SFD)	$1475	$2200	$2375	$2575*	$3050*	$3250*
General Service ($/kW)	$200	$350	$380	$420	$490	$530

* Inclusion of 100% of SDA costs would increase estimated residential contributions to $2975, $3500 and $3750 respectively.

BC HYDRO CONTRIBUTION – OPTION 2 DISTRIBUTION DEMAND-RELATED COSTS

	F2008 COS	Based on Draft F2016 COS* (Preliminary Estimates)				
	8% No Escalation		7% No Escalation	7% and Revenue Escalated Based on Rate Caps		
	20 Years			20 Years	30 Years	40 Years
Residential ($/SFD)	$1475	$2450	$2650	$2875*	$3375*	$3650*
General Service ($/kW)	$200	$390	$420	$460	$540	$580

* Inclusion of 100% of SDA costs would increase estimated residential contributions to $3525, $4150 and $4450 respectively.

BC HYDRO CONTRIBUTION – OPTION 3
DISTRIBUTION DEMAND-RELATED CAPITAL COSTS

	F2008 COS	Based on Draft F2016 COS* (Preliminary Estimates)				
	8% No Escalation		7% No Escalation	7% and Revenue Escalated Based on Rate Caps		
	20 Years			20 Years	30 Years	40 Years
Residential ($/SFD)	$1475	$1725	$1875	$2025*	$2400*	$2575*
General Service ($/kW)	$200	$280	$300	$330	$380	$410

* Inclusion of 100% of SDA costs would increase estimated residential contributions to $2425, $2850 and $3075 respectively.

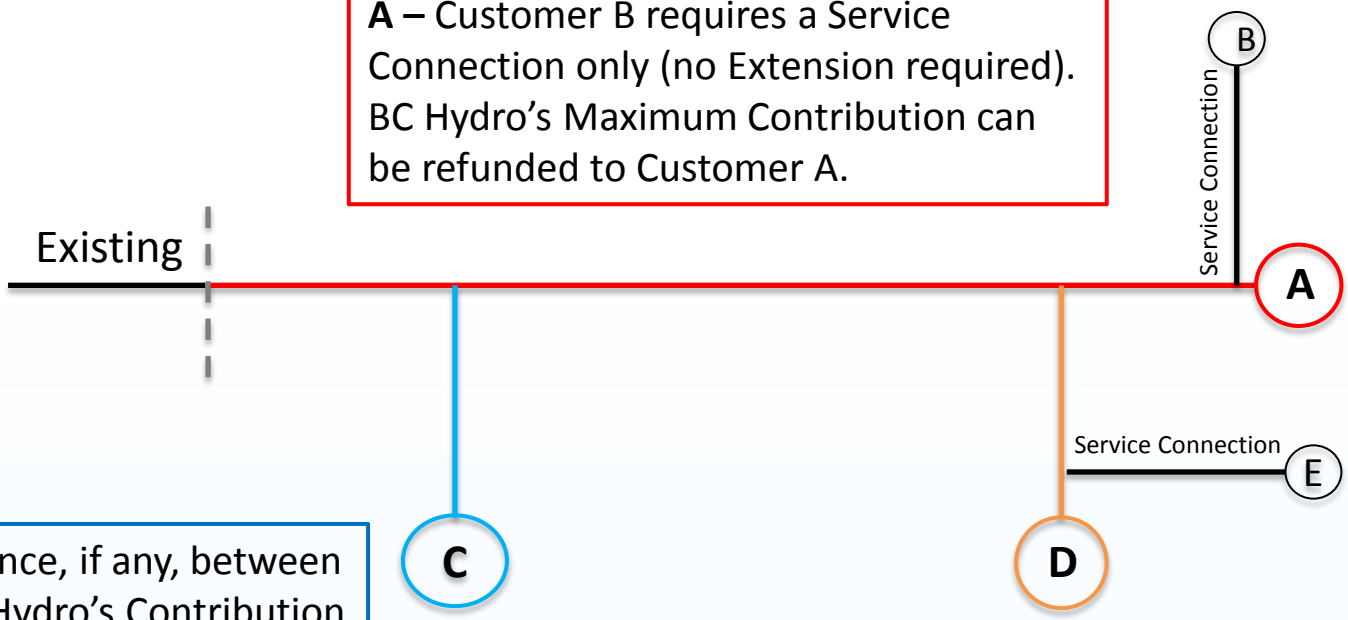
TOPIC #4 – OTHER ISSUES
EXTENSION FEE REFUNDS

Presenter

Rena Messerschmidt

EXTENSION FEE REFUNDS - CURRENT

A – Customer B requires a Service Connection only (no Extension required). BC Hydro's Maximum Contribution can be refunded to Customer A.



C – Difference, if any, between actual BC Hydro's Contribution given and BC Hydro's Maximum Contribution for Customer C can be refunded to Customer A.

D - Same process is followed as Customer C, and excess contributions can be refunded to Customer A. BC Hydro's Maximum Contribution for Customer E will first be refunded to Customer D. If the Extension Fee for D is fully refunded, then excess contributions from Customer E can then be refunded to Customer A.

EXTENSION FEE REFUNDS: ISSUES – CURRENT

A. Fairness – Funds Availability:

- No remaining contributions available to Pioneer customers

B. Fairness – Time Period:

- 5 year period may be too short for large multi-year developments (especially with feeder work)

C. Practical – Request Volumes and Response Time:

1) Any customer can request annual reviews even though most are ineligible for refunds creating large administrative burden
2) The current Extension Fee threshold for automatic refunds is low at $5000 where 20% of the fee is automatically refunded. Customers triggering this automatic refund are no longer eligible for future refunds

EXTENSION FEE REFUNDS: OPTIONS

Options to Address Fund Availability

1. **Direct contribution to Pioneer:**
   Subsequent customer must make a direct contribution towards Pioneer's cost of the Extension proportional to length of Extension used and relative capacity used

2. **Applying BC Hydro's Maximum Contribution to Eligible Pioneers Before Allocation to New Customer**
   - BC Hydro's Maximum Contribution would first be allocated to Pioneer, with any remaining amount allocated to new customer

EXTENSION FEE REFUNDS: OPTIONS

Options to Address Time Period

1. **Extend Pioneer Period to 10 Years:**
   - Extend current 5 year eligibility to 10 years using a declining benefit; e.g., for first 5 years, full Extension Fee is refundable, from year 6 and every year after, maximum amount refundable is reduced by 20%
   - Jurisdictionally, tariffs specifically addressing this issue range from 5 to 10 years; some are silent on this issue

2. **Extension Fee Discount Option:**
   - Determine a formula to reduce the Fee for developments requiring a lengthy Extension where no subsequent customers are currently proposed but where BC Hydro believes will have development (i.e., urban areas)
   - This option increase risk to ratepayers as it relies on BC Hydro's ability to accurately forecast at a granular level

EXTENSION FEE REFUNDS: OPTIONS

Options to Address Request Volumes and Response Times:

1. **Increase Automatic Discount Threshold:**

   Reduces volumes and review timeframes for Extensions that have low Extension Fees and low potential for refunds. Customers under threshold could have option to opt out of automatic refund and be treated under regular refund program

Avg # of Ext. / year	Ext. Fee > $5,000	Ext. Fee > $10,000	Ext. Fee > $15,000	Ext. Fee > $20,000	Ext. Fee > $25,000
4200	1459	987	701	523	413

2. **Extension Fee Refunds are Subject to a Pioneer Administration Fee**

TOPIC #4 – OTHER ISSUES CONNECTION CHARGES

Presenter

Rena Messerschmidt

MINIMUM CONNECTION CHARGES

1PH Secondary Service Connections plus One Meter for various main switch amperage (Amp) ratings:

Service	Size	Current Charge (2007 RDA, based on F2006 values)	Updated Charge (F2016 values)
OH	100 Amp	$463	$809
	200 Amp	$496	$833
	400 Amp	$798	$1,209
UG	100 Amp	$605	$956
	200 Amp	$855	$1,247

MINIMUM CONNECTION CHARGES

Additional Meters	Current Charge (2007 RDA, based on F2006 values)	Updated Charge (F2016 values)
Each additional meter when installed at same time as Service Connection installation	$23	$47
One or more additional meters installed subsequent to Service Connection installation. On each trip:		
- First Meter	$92	$185
- Each Additional Meter	$23	$47

MISCELLANEOUS CHARGES

Charge	Current Charge (2007 RDA, based on F2006 values)	Updated Charge (F2016 values)
Transformer Rental Charge	17% per annum of replacement value to be billed monthly	TBD
Service Connection Call-Back Charge	$194	$377

NEXT STEPS

- 45 day written comment period starting with posting of workshop notes to RDA website: mid January 2015 – end of February 2015
- BC Hydro consideration memo, together with BC Hydro's position regarding filing Distribution Extension Policy as later RDA module II: March 2015
- Continue to seek feedback from customers/customer groups over next several months as options are further developed: March 2015 – Spring 2015
- Update analysis of options based on feedback: March 2015 – Spring 2015
- Distribution Extension Policy Workshop #2: Spring 2015 – to be confirmed

THANK YOU

SEND COMMENTS TO:

bchydroregulatorygroup@bchydro.com

Mail: BC Hydro, BC Hydro Regulatory Group – "Attention 2015 RDA", 16th Floor, 333 Dunsmuir St., Vancouver, B.C. V6B-5R3

FAX: 604-623-4407, "ATTENTION 2015 RDA"

For further information,
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BC Hydro Regulatory Group: bchydroregulatorygroup@bchydro.com
Tel: (604) 623-4046

Web: www.bchydro.com/about/planning_regulatory/2015-rate-design.html

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