



ORDER NUMBER
G-54-17

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority
Application to Amend Foreign Exchange Rates
for Electric Tariff and Open Access Transmission Tariff

BEFORE:

D. M. Morton, Commissioner
D. J. Enns, Commissioner
W. M. Everett, Commissioner
H. G. Harowitz, Commissioner
M. Kresivo, Commissioner
B. A. Magnan, Commissioner
R. D. Revel, Commissioner

on April 13, 2017

ORDER

WHEREAS:

- A. On March 20, 2017, British Columbia Hydro and Power Authority (BC Hydro) filed an application with the British Columbia Utilities Commission (Commission) to amend the Electric Tariff and Open Access Transmission Tariff (OATT), effective May 1, 2017, to replace all references to the Bank of Canada (BOC) foreign exchange rates that will be superseded on May 1, 2017 by the new BOC daily average exchange rate. The Application is made pursuant to sections 58 to 61 of the *Utilities Commission Act* (UCA);
- B. On December 1, 2016, the BOC announced that on March 1, 2017 it will commence publishing a daily average exchange rate for 26 currencies against the Canadian dollar. Effective May 1, 2017, the BOC will cease publishing all other existing exchange rates, including noon and closing exchange rates, and will only publish the daily average exchange rate for the 26 currencies;
- C. BC Hydro proposes to make the following amendments to Electric Tariff, effective May 1, 2017:
 1. Electric Tariff, Rate Schedule (RS) 1892 - Transmission Service - Freshet Energy
Special Condition No. 10 of RS 1892 to change the reference from "...Bank of Canada noon spot rate on the applicable day(s)" to "...Bank of Canada daily exchange rate on the applicable day(s)";
 2. Electric Tariff, Tariff Supplement (TS) 90 - Mining Customer Payment Plan
Two instances in TS 90, in section 2.2(b)(ii)A and 2.2(b)(ii)B, to change references from "...the Bank of Canada's average daily closing exchange rate over that same period" to "...the average Bank of Canada daily exchange rate over that same period";

3. OATT, Attachment A

Amend section 4.2 of Attachment A to remove the reference to the "...the exchange rate as set by the Bank of Canada close rate on the last business day of each month in which transactions occurred" to "...the daily exchange rate as set by the Bank of Canada on the last business day of each month in which transactions occurred";

- D. On April 4, 2017, Commission staff issued clarifying questions to BC Hydro regarding the Application and, on April 10, 2017, BC Hydro submitted its responses; and
- E. The Commission reviewed the Application and BC Hydro's responses to Commission staff questions and considers that approval is warranted.

NOW THEREFORE pursuant to sections 58 to 61 of the *Utilities Commission Act*, the British Columbia Utilities Commission approves amendments to the following sections of the British Columbia Hydro and Power Authority Electric Tariff and Open Access Transmission Tariff, effective May 1, 2017, to replace all references to the Bank of Canada foreign exchange rates that will be superseded by the new daily average exchange rate:

1. Electric Tariff, Rate Schedule 1892, Special Condition No. 10 - Transmission Service - Freshet Energy
2. Electric Tariff, Tariff Supplement 90, Sections 2.2(b)(ii)A and 2.2(b)(ii)B - Mining Customer Payment Plan
3. Open Access Transmission Tariff, Attachment A, Section 4.2

DATED at the City of Vancouver, in the Province of British Columbia, this

13th day of April 2017.

BY ORDER



D. M. Morton
Commissioner

5. TRANSMISSION SERVICE**RATE SCHEDULE 1892 – TRANSMISSION SERVICE – FRESHET ENERGY**

Availability	For Customers supplied with Electricity under Rate Schedule 1823 (Stepped Rate) that increase their Electricity usage during the Freshet Period, subject to the Special Conditions below.
Applicable in	Rate Zone I excluding the Districts of Kingsgate-Yahk and Lardeau-Shutty Bench.
Termination Date	This Rate Schedule will terminate effective December 31, 2017.
Rate	<p>Energy Charge:</p> <p>The charge applied to energy supplied under this Rate Schedule 1892 during each HLH and LLH of the current Freshet Period is equal to:</p> <ol style="list-style-type: none">The greater of<ol style="list-style-type: none">The Intercontinental Exchange (ICE) Mid-Columbia (Mid-C) Peak or Mid-C Off-Peak weighted average index price, as published by the ICE in the ICE Day Ahead Power Price Report, applicable to the hour, and\$0/kWh, plusA \$3/MWh wheeling rate.
Definitions	<p>Terms used in this Rate Schedule have the meanings given to them in Electric Tariff Supplement No. 5 or Rate Schedule 1823 (Stepped Rate). In addition, the following terms have the following meanings:</p> <ol style="list-style-type: none">Freshet Period May 1 to July 31 inclusive.

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	<p>2. HLH</p> <p>The hours ending 0700 to 2200, Monday through Saturday excluding North American Electric Reliability Corporation holidays.</p> <p>3. HLH Baseline</p> <p>The Customer's average hourly energy consumption under Rate Schedule 1823 during HLH of the 2015 Freshet Period.</p> <p>4. HLH Gross Freshet Energy</p> <p>The sum of energy taken by the Customer during each HLH of the current Freshet Period in excess of the HLH Baseline, excluding all hours where the energy taken is less than the HLH Baseline.</p> <p>5. HLH Net Freshet Energy</p> <p>The total energy taken by the Customer during all HLH of the current Freshet Period in excess of the total energy taken by the Customer under Rate Schedule 1823 during all HLH of the 2015 Freshet Period.</p> <p>6. HLH Net to Gross Ratio</p> <p>The ratio obtained by dividing HLH Net Freshet Energy by HLH Gross Freshet Energy.</p> <p>7. LLH</p> <p>The hours ending 2300 to 0600, Monday through Saturday and all day Sunday and North American Electric Reliability Corporation holidays.</p> <p>8. LLH Baseline</p> <p>The Customer's average hourly energy consumption under Rate Schedule 1823 during LLH of the 2015 Freshet Period.</p>
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	<p>9. LLH Gross Freshet Energy</p> <p>The sum of energy taken by the Customer during each LLH of the current Freshet Period in excess of the LLH Baseline, excluding all hours where the energy taken is less than the LLH Baseline.</p> <p>10. LLH Net Freshet Energy</p> <p>The total energy taken by the Customer during all LLH of the current Freshet Period in excess of the total energy taken by the Customer under Rate Schedule 1823 during all LLH of the 2015 Freshet Period.</p> <p>11. LLH Net to Gross Ratio</p> <p>The ratio obtained by dividing LLH Net Freshet Energy by LLH Gross Freshet Energy.</p> <p>12. Reference Demand</p> <p>The average of the highest kVA Demand during the High Load Hours in each of May, June and July 2015, where the High Load Hour period is as defined in Rate Schedule 1823.</p>
Reference Demand for Rate Schedule 1823	<p>If the Customer is supplied with Electricity under this Rate Schedule 1892, for the purposes of determining Billing Demand under Rate Schedule 1823 for each of the Billing Periods during the current Freshet Period, the highest kVA Demand during the High Load Hours in the Billing Period will be equal to the lesser of:</p> <ol style="list-style-type: none">1. The Reference Demand; and2. The actual highest kVA Demand during the High Load Hours in the Billing Period.

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Reference Energy for Rate Schedule 1823	<p>If the Customer is supplied with Electricity under this Rate Schedule 1892, the energy supplied to the Customer under Rate Schedule 1823 will be deemed to be the total energy supplied to the Customer less HLH and LLH Net Freshet Energy.</p> <p>Until BC Hydro has determined HLH and LLH Net Freshet Energy after the current Freshet Period, on an interim basis BC Hydro will bill the Customer for energy consumption under Rate Schedule 1823 during each HLH and LLH of the current Freshet Period on the basis that energy consumption is equal to the HLH Baseline and LLH Baseline respectively.</p> <p>When BC Hydro has determined the HLH and LLH Net Freshet Energy for the Customer, BC Hydro will make any necessary retroactive billing adjustments in relation to energy supplied under Rate Schedule 1823.</p>
Rate Schedule 1892 Energy Determination	<ol style="list-style-type: none">1. If HLH Net Freshet Energy is greater than zero, for each HLH hour of the current Freshet Period the energy taken by the Customer during the hour in excess of the HLH Baseline will be multiplied by the HLH Net to Gross Ratio, and the product will be the amount of energy supplied during that HLH hour under this Rate Schedule 1892.2. If LLH Net Freshet Energy is greater than zero, for each LLH hour of the current Freshet Period, the energy taken by the Customer during the hour in excess of the LLH Baseline will be multiplied by the LLH Net to Gross Ratio, and the product will be the amount of energy supplied during that LLH hour under this Rate Schedule 1892.3. All other energy supplied to the Customer during the current Freshet Period will be deemed to have been supplied under Rate Schedule 1823.
Special Conditions	<ol style="list-style-type: none">1. Electricity is available under this Rate Schedule on a pilot program basis during the Freshet Periods of 2016 and 2017 only.

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2. BC Hydro agrees to provide Electricity under this Rate Schedule to the extent that it has energy and capacity to do so. BC Hydro may refuse Service under this Rate Schedule in circumstances where BC Hydro does not have sufficient energy or capacity. For greater certainty, BC Hydro will not be required to construct a System Reinforcement under Electric Tariff Supplement No. 6 to provide Service under this Rate Schedule.
3. By March 1 of each year in which the Customer wishes to take Electricity under this Rate Schedule, the Customer must notify BC Hydro that the Customer elects to take Electricity under this Rate Schedule during the upcoming Freshet Period and also provide to BC Hydro an estimate of the amount of energy (in MWh) that the Customer expects to take under this Rate Schedule during each month of the Freshet Period and a description of the operational changes the Customer plans to make at its plant to take advantage of this freshet energy pilot program.
4. If BC Hydro and the Customer agree that the LLH and HLH Baselines or Reference Demand calculated in accordance with the provisions above are not representative of the Customer's expected Rate Schedule 1823 Electricity usage during the Freshet Period of 2016 or 2017, and the parties agree to alternative LLH and HLH Baselines or Reference Demand, BC Hydro will file the agreed-to baselines or Reference Demand with the British Columbia Utilities Commission (**BCUC**). Subject to direction from the BCUC, BC Hydro will use such filed baselines or Reference Demand for the purposes of applying this Rate Schedule and Rate Schedule 1823.

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	<p>5. Electricity under this Rate Schedule will not be available to a Customer if:</p> <p>(a) The Customer has an electricity purchase agreement (EPA) with BC Hydro; and</p> <p>(b) The Customer has, in accordance with the EPA, changed the Seasonal, Monthly or Hourly GBL (as applicable and as defined in the EPA) applicable during the Freshet Period of 2016 or 2017.</p> <p>6. A Customer taking Electricity under this Rate Schedule may, by providing notice to BC Hydro at any time prior to July 31, cancel supply under this Rate Schedule for the current Freshet Period.</p> <p>7. If a Customer taking Electricity under this Rate Schedule advises BC Hydro that the Customer is or will be taking Electricity under Rate Schedule 1880 (Standby and Maintenance) during the current Freshet Period, supply under this Rate Schedule will be automatically cancelled for the current Freshet Period.</p> <p>8. If supply under this Rate Schedule is canceled under Special Condition No. 6 or 7, all Electricity supplied to the Customer during the current Freshet Period will be deemed to be supplied under Rate Schedule 1823 or Rate Schedule 1880, as applicable. Such Customer's Energy and Demand Charges will be determined in accordance with Rate Schedule 1823 or Rate Schedule 1880, whichever is applicable, and BC Hydro will make any necessary retroactive billing adjustments.</p> <p>9. Subject to any advance billing arrangement under Electric Tariff No. 5 or other special billing terms in effect for a particular Customer, BC Hydro will bill for Electricity supplied under this Rate Schedule 1892 after the Freshet Period has ended and BC Hydro has determined the HLH and LLH Net Freshet Energy for the Customer. BC Hydro will then make any necessary retroactive billing adjustments in relation to energy supplied under Rate Schedule 1823.</p>
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	<p>10. All monetary amounts referred to in this Rate Schedule will be paid in Canadian currency. The ICE Day Ahead Power Price Report referenced in this Rate Schedule is published in US dollars, and the amounts in the report will be converted from US dollars to Canadian dollars at the Bank of Canada daily exchange rate on the applicable day(s).</p>
Taxes	<p>The rates set out in this Rate Schedule are exclusive of goods and services and provincial sales taxes.</p>
Note	<p>The terms and conditions under which Transmission Service is supplied are contained in Electric Tariff Supplement Nos. 5 and 6.</p>
Rate Rider	<p>The Deferral Account Rate Rider as set out in Rate Schedule 1901 applies to all charges payable under this Rate Schedule, before taxes and levies.</p>

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tonne of copper, as reported by the London Metal Exchange, for the most recent Settlement Price Period, converted into the average of the daily settlement prices per pound of copper, by using a metric tonne to pound ratio of 1:2204.62, and converted into Canadian currency by using the average Bank of Canada daily exchange rate over that same period; and

- B. The settlement price calculated for a Mining Customer who operates a coal mine is the average of the daily settlement prices per metric tonne of Hard Coking Coal (Premium Low Vol) FOB Australia, as reported by Platts (Coal Trader International), for the most recent Settlement Price Period, converted into Canadian currency by using the average Bank of Canada daily exchange rate over that same period;

Provided that:

- (iii) If an AP is calculated to be more than 0.75, the Adjusted Amount for that bill shall be calculated using an AP of 0.75; and
- (iv) If an AP is calculated to be less than -0.75, the Adjusted Amount for that bill shall be calculated using an AP of -0.75.

2.3 Deferral of Payment

Where an Adjusted Amount calculated in accordance with section 2.2 is less than the amount that would have been payable by the Mining Customer under Rate Schedule 1823, but for the application of this Supplement, the Mining Customer's payment of the difference between the Adjusted Amount and the amount that would have been payable by the Mining Customer under Rate Schedule 1823, but for the application of this Supplement, shall be deferred in accordance with this Supplement

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ATTACHMENT A

**Umbrella Agreement for Short-Term Firm or
Non-Firm Point-To-Point Transmission Service**

1. This Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider, or BC Hydro), and _____ (the Transmission Customer).

2. This Agreement shall come into force upon execution by both Parties. From the time this Agreement comes into force, the Transmission Customer shall be entitled to arrange Short-Term Firm and Short-Term Non-Firm transactions over OASIS without executing a Service Agreement provided that such transactions do not exceed \$_____ in any calendar month. BC Hydro reserves the right to consent to larger monthly transactions on a case-by-case basis.

3. Identify any affiliates that own, control or operate any transmission facilities. If there are none, include a sworn statement pursuant to Section 6.0 of Transmission Provider's OATT (the Tariff).

4. Billing and Payment
 - 4.1 BC Hydro will submit invoices to the Transmission Customer after the end of each month in which transactions were made.

 - 4.2 Canadian Transmission Customers will be invoiced in Canadian funds. US Transmission Customers will be invoiced in U.S. funds, all using the daily exchange rate as set by the Bank of Canada rate on the last business day of each month in which transactions occurred.

 - 4.3 Payment shall be remitted in accordance with the terms and conditions of the Tariff.

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