90.0 Reference: BC Hydro Response to BCUC Information Request 1.55

1.90.0(a) What assurances does BC Hydro have from BCUC or its customers that the effect of industrial power smart initiatives will be matched by a reduction in the recipient customers base load (tier 1 purchases)?

RESPONSE:

On Page 44, last paragraph, of the BCUC Report and Recommendations on Heritage Contract and Stepped Rates dated October 17, 2003, the BCUC reiterated BC Hydro’s proposal that “CBL’s be reduced to account for any Power Smart and CBG investments that are coincident with stepped rate implementation, so long as these investments are financially supported by BC Hydro. This would prevent a customer receiving both the benefits of BC Hydro investment and a commensurate benefit for consumption of Tier 2 energy.”

BC Hydro does not have an assurance from the BCUC. However, BC Hydro believes that on the basis of the BCUC’s recommendations and the Government acceptance of those recommendations, a rate proposal on stepped rates would include a mechanism to prevent a customer from receiving both benefits.