



Extension fee refunds

Overview

We install poles, lines, transformers and other infrastructure to connect one or more new customers, or increase the capacity of our electrical distribution system, when you pay for an extension¹. Sometimes an extension fee² refund for your project may become available when new customers connect to your extension within five years.

Who is eligible to apply

You are eligible to apply for a refund if:

- your extension fee was greater than \$5,000,
- you did not receive Uneconomic Extension Assistance (UEA) funding,
- you did not already receive contributions for new residential subdivision connections,
- new customers connect to your extension within five years, and
- your extension was constructed and put into service between one and six years ago.

You may receive a refund if the new customer(s) that connected have surplus BC Hydro contributions from their construction projects.

¹ Extension: an addition to or an increase in the capacity of BC Hydro's distribution system required to meet new or increased service requirements, but excluding service connections.

² Extension Fee: a contribution-in-aid of construction of an Extension.

How refunds are calculated

REFUNDS FOR EXTENSIONS UNDER \$5,000

When your extension fee is \$5,000 or less, you automatically receive a 20% refund, which is credited towards the extension fee at the time of construction and are not eligible for further refunds.

REFUNDS FOR EXTENSIONS OVER \$5,000

When your extension fee is more than \$5,000, you may apply for a refund up to the full amount of the original extension fee, as stated in your quote letter. A refund may be available if customers connect to the extension within five years, and those customers have surplus BC Hydro contributions for their projects.

Contributions are based on each rate class, as set by our Electric Tariff. They are first applied to the new customer's extension costs (if any), and remaining surplus contributions may be applied to the previous extension.

BC Hydro contributions for new service extensions.

Rate Class	Maximum BC Hydro Contribution
Residential	\$1,475 per single family dwelling
General Service	\$200 per kW of estimated billing demand
Street Lighting	\$150 per fixture
Irrigation	\$150 per kW of estimated billing demand

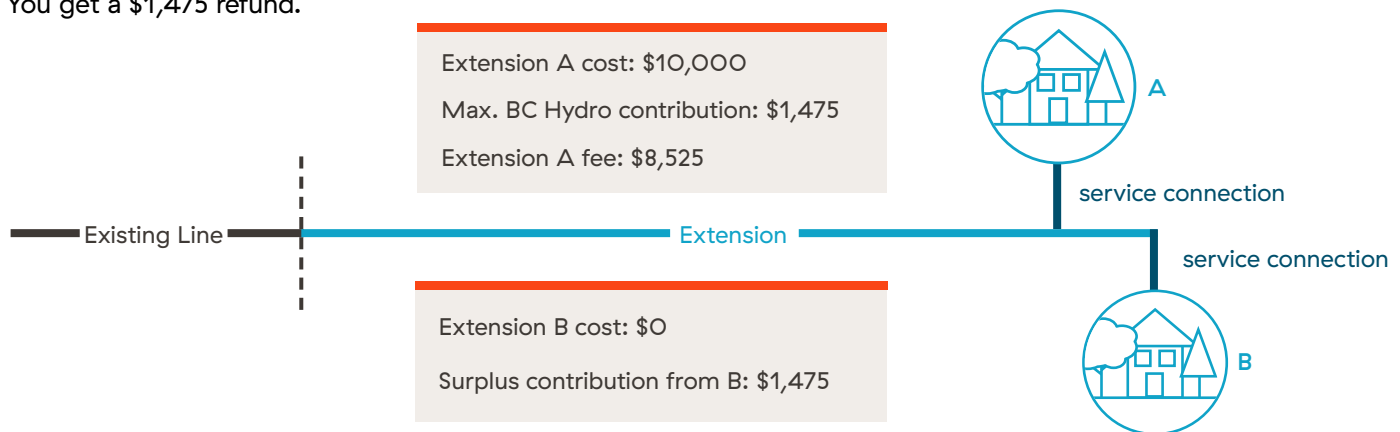
TO RECEIVE A REFUND:

- Your extension fee was greater than \$5,000,
- New customer(s) connect to the extension within five years,
- New customers have surplus service extension contributions, and
- You apply for a refund, in writing, within six years of your extension in-service date.

EXAMPLE 1: A NEW CUSTOMER CONNECTS DIRECTLY TO YOUR EXTENSION, GENERATING A REFUND.

You paid for an extension that cost \$10,000 to connect your home to our electrical system. With a BC Hydro contribution of \$1,475, your extension fee was \$8,525. A neighbour (B) connects a new single family dwelling to the same extension within five years without constructing a new extension. As the BC Hydro contribution of \$1,475 for a residential service was not used, it may be applied towards your extension fee.

You get a \$1,475 refund.

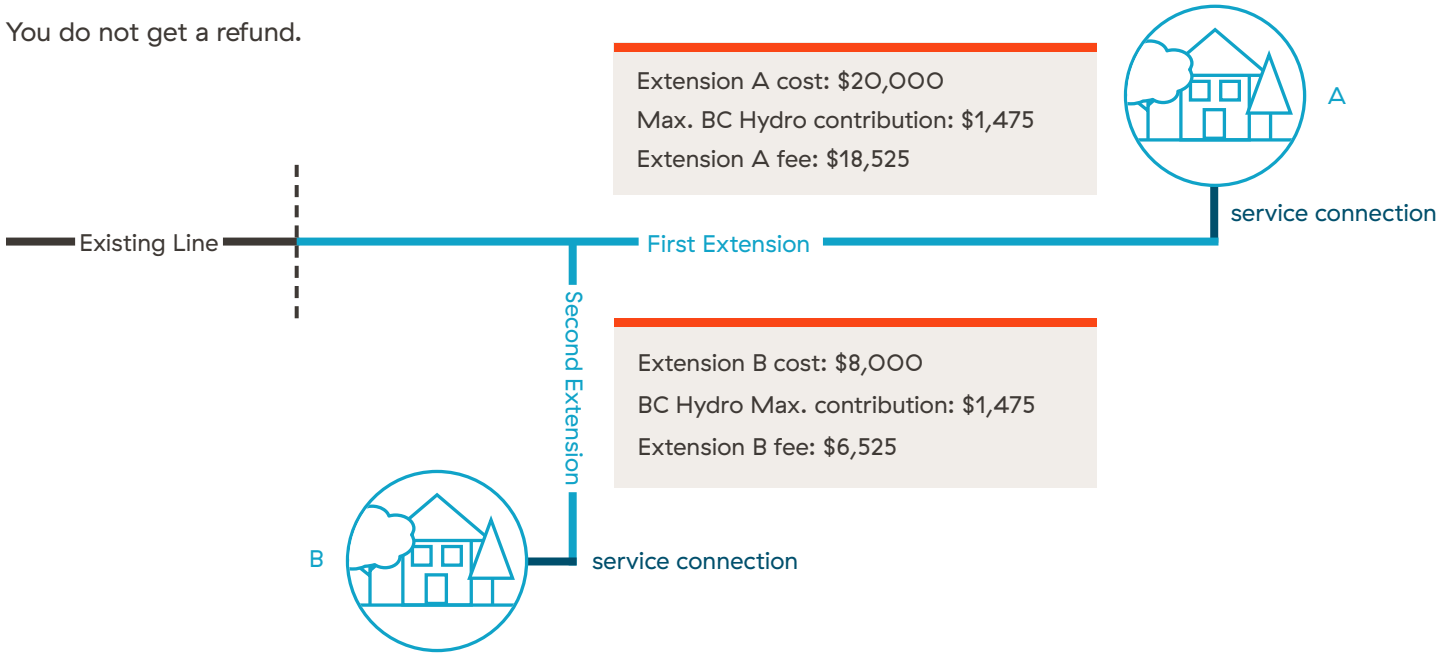


EXAMPLE 2: A NEW CUSTOMER EXTENSION CONNECTS TO YOUR EXTENSION, WITH NO REFUND.

You paid for a new extension that cost \$20,000 to construct. With the BC Hydro contribution of \$1,475, your extension fee was \$18,525.

Three years later, a new customer (B) connects a new extension to that portion of the line. This new extension costs \$8,000 and also has a BC Hydro contribution of \$1,475, resulting in an extension fee of \$6,525. There is no surplus contribution available.

You do not get a refund.

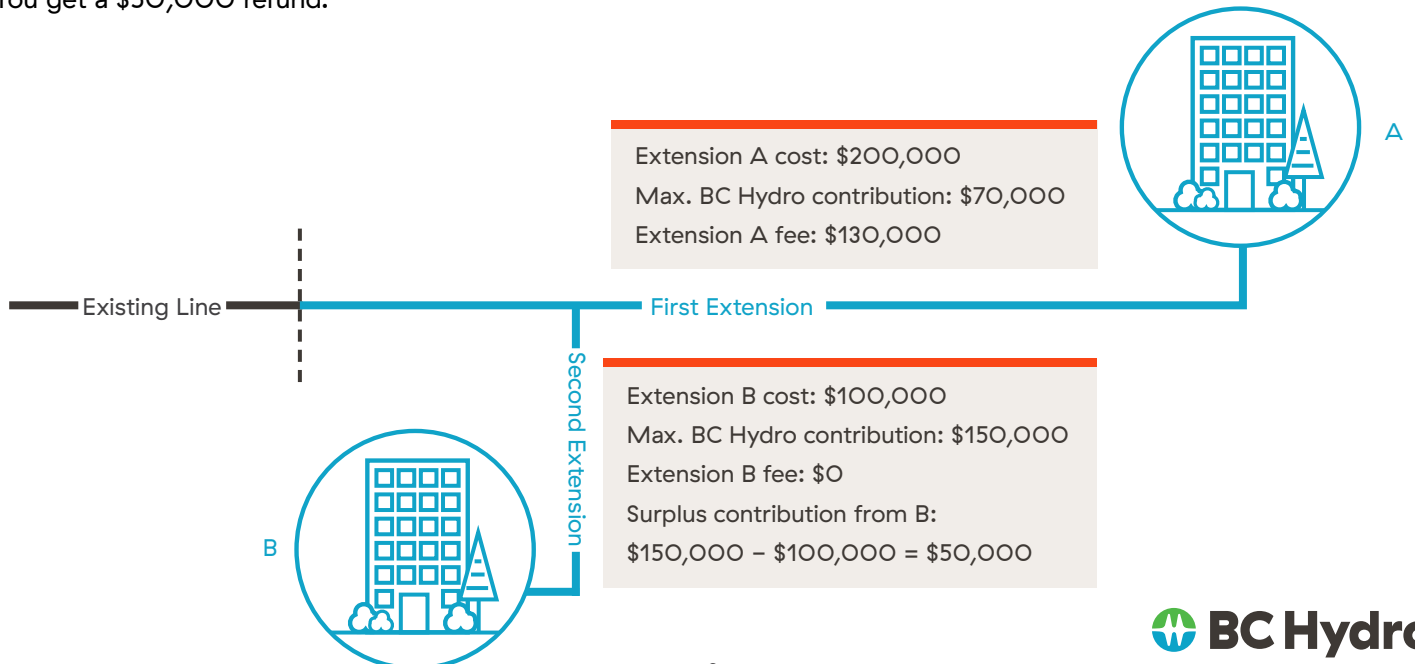


EXAMPLE 3: A NEW EXTENSION CONNECTS TO YOUR EXTENSION, GENERATING A REFUND.

You paid for a new extension that cost \$200,000 to construct. With the BC Hydro contribution of \$70,000 for the building that connected to your line at the time of construction, your extension fee was \$130,000.

Three years later, a new customer (B) connects a new extension to that portion of the line. This new extension costs \$100,000 and has a BC Hydro contribution of \$150,000, which results in a surplus contribution. The surplus contribution is available to you as a refund on your extension fee.

You get a \$50,000 refund.

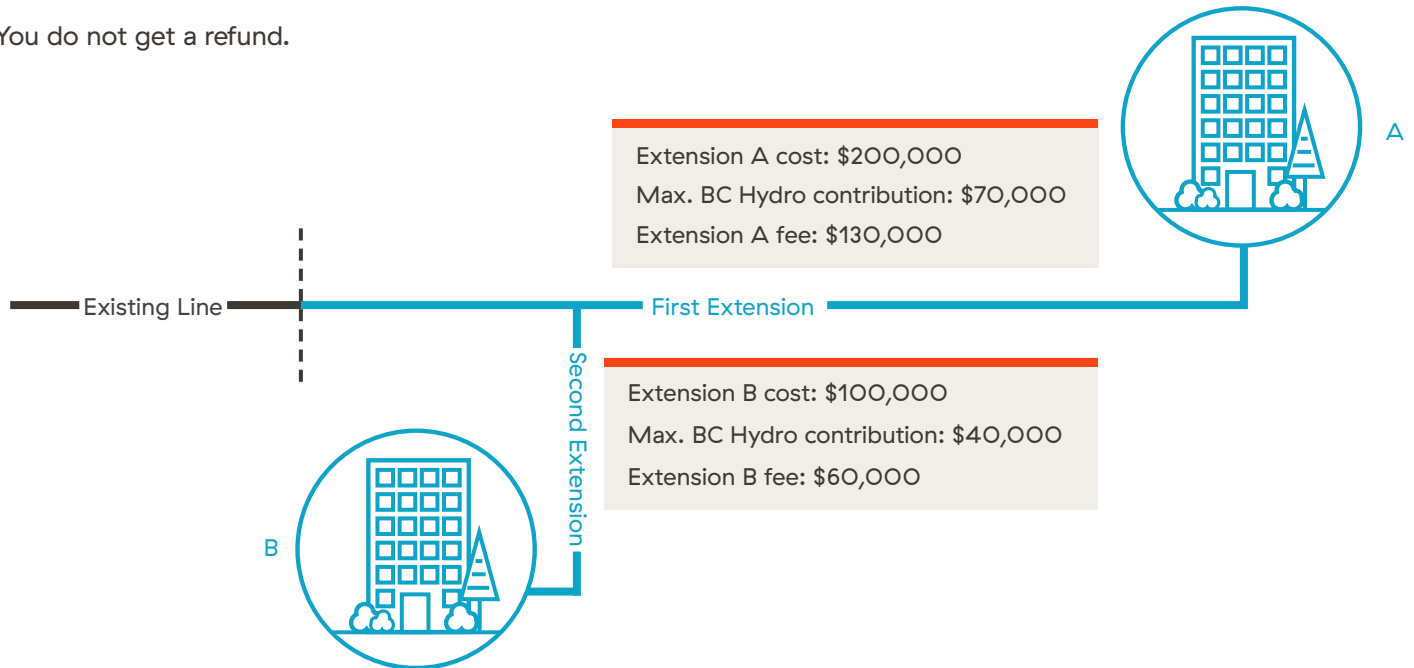


EXAMPLE 4: A NEW EXTENSION CONNECTS TO YOUR EXTENSION, WITH NO REFUND.

You paid for a new extension that cost \$200,000 to construct. With the BC Hydro contribution of \$70,000 for the building that connected to your line at the time of construction, your extension fee was \$130,000.

Three years later, a new customer (B) connects a new extension to that portion of the line. The new extension costs \$100,000 and has a BC Hydro contribution of \$40,000, resulting in an extension fee of \$60,000. There is no surplus contribution.

You do not get a refund.



How to apply

To apply for an extension fee refund, complete and submit the **application**.

There is no application fee.

The extension fee refund application is normally submitted five years after the extension in-service date to maximize the opportunity for a refund.

Refund applications are processed once a year.

Payment

Refunds are paid by cheque to the customer who originally paid for the extension, unless waived.

Interest will not be paid on refunds, and amounts of \$100 or less will not be refunded.

Contact us

For more information on extension fee refunds contact us at PolicyProgramsCoordinator@bchydro.com, or visit bchydro.com/extensions.