



PROVINCE OF BRITISH COLUMBIA

BRITISH COLUMBIA UTILITIES COMMISSION

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| BRITISH COLUMBIA UTILITIES COMMISSION | |
| ORDER | |
| NUMBER | G-47-89 |

IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

IN THE MATTER OF an Application by
West Kootenay Power Ltd.

| | | | |
|---------|---------------------|---|-----------------|
| BEFORE: | J.G. McIntyre, |) | |
| | Chairman; |) | |
| | J.D.V. Newlands, |) | |
| | Deputy Chairman; |) | October 5, 1989 |
| | N. Martin, |) | |
| | Commissioner; and |) | |
| | W.M. Swanson, Q.C., |) | |
| | Commissioner |) | |

O R D E R

WHEREAS West Kootenay Power Ltd. ("WKP") applied on August 25, 1989 for Commission approval of regulatory and accounting treatment of expenditures made on Energy Management Programs ("EMP"); and

WHEREAS on September 21, 1989 WKP refiled amended Electric Tariff Sheets for Rate Schedule 90 - Energy Management Service; and

WHEREAS the Commission has considered the Application and is satisfied that it properly conserves the public interest.

NOW THEREFORE the Commission orders WKP as follows:

1. The Commission accepts for filing Electric Tariff Rate Schedule 90 - Energy Management Service as follows:

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Original Sheet Nos. 75 and 76.

2. Expenditures associated with EMP including appliance rebates, wages and salaries of employees dedicated to such programs, marketing, research, advertising, and grants made to customers, through to December 31, 1990 are to be capitalized and depreciated or amortized at the straight-line rate of 5% per year, commencing in 1991, subject to the following conditions:
 - (a) that in no case will operating and maintenance expenses forecast in the 1989 Test Year, as the basis for current rates, be capitalized;
 - (b) that interest expense related to the low-interest loans, be capitalized net of interest revenue derived from customers on these loans;
 - (c) that Demand Side Management costs capitalized be net of income taxes.

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3. WKP shall provide the 1990 Demand Side Management budget in conjunction with the 1989 program evaluation report to the Commission.
4. In future economic evaluations of Demand Side Management projects, the customer and WKP cost components shall be added together and tested for a net benefit with avoided marginal costs of delivered power.
5. WKP shall file with the Commission justification for its position with regard to the inclusion of municipal and other wholesale customers in its EMP.
6. Appropriate notices of explanation and promotion of the program is to be sent to all affected customers.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of October, 1989.

BY ORDER


J.G. McIntyre
Chairman

431/7/ssc