



BRITISH COLUMBIA UTILITIES COMMISSION	
ORDER NUMBER	G-39-90

PROVINCE OF BRITISH COLUMBIA

BRITISH COLUMBIA UTILITIES COMMISSION

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

and

IN THE MATTER OF Commission Decision
and Order No. G-31-90

BEFORE:	J.G. McIntyre,)	
	Chairman;)	
	N. Martin,)	May 24, 1990
	Commissioner; and)	
	H.J. Page,)	
	Commissioner)	

O R D E R

WHEREAS on April 30, 1990 Commission Decision and Order No. G-31-90 allowed British Columbia Hydro and Power Authority ("B.C. Hydro") to increase rates by 1.5 percent effective November 15, 1989 with additional increases of 1.5 percent each on April 1, 1990 and April 1, 1991; and

WHEREAS the Commission has reviewed the evidence filed during the public hearing into B.C. Hydro's 1989 Rate Application and has concluded that Exhibits 77, 77A and 77C indicate that an increase in rates of 3.0 percent from November 15, 1989 to March 31, 1990 was inserted in each financial run; and

WHEREAS pursuant to Section 114 of the Utilities Commission Act, the Commission has reconsidered its April 30, 1990 Decision.

NOW THEREFORE the Commission orders B.C. Hydro as follows:

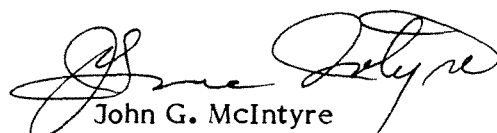
1. Orders No. 1 and 2 of Commission Order No. G-31-90 are rescinded and replaced by the following:

"The 3.0 percent interim increase effective November 15, 1989 and accepted by the Commission pursuant to Order No. G-49-89 is confirmed. The Commission approves as firm an additional increase of 1.5 percent effective April 1, 1990, and a further increase of 1.5 percent effective April 1, 1991."

2. Commission Order No. G-31-90 in all other respects is confirmed.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of May, 1990.

BY ORDER


John G. McIntyre
Chairman

53I/12/cms



MAY 25, 1990
Vancouver, B.C.

NEWS RELEASE

BCUC BACKGROUND TO COMMISSION ORDER NO. G-39-90

The British Columbia Utilities Commission ("the Commission") issued its Decision on B.C. Hydro's rate application on April 30, 1990. Section 8 of the Decision dealt with revenue requirements and, at page 93, stated as follows:

"The detailed financial tabulations matching the key components of the Commission revenue requirements determination were filed as Exhibit 77C to the hearing. On this basis the rate increase required to meet the financial standards is 1.5 percent per year for three years. All customers will be refunded their excess payments made to B.C. Hydro between November 15, 1989 and April 30, 1990, with interest. Industrial rates are to be calculated based on a three decimal place accuracy."

Since the Decision, ongoing review of B.C. Hydro's financial status has resulted in the discovery of a discrepancy in the interpretation of Exhibit 77C which was used as the basis for the awarded increases. A further examination of the financial data prepared by B.C. Hydro has revealed that each of the runs (Exhibits 77, 77A and 77C) were based on a confirmation of the 3 percent interim increase for the period November 15, 1989 to March 31, 1990. This fact was not apparent to the Commission at the time of preparation of its Decision. The Commission determined then, and continues to believe, that the financial inputs and implications of Exhibit 77C best match the revenue requirements of B.C. Hydro as discussed in the Decision.

Accordingly, the Commission has reconsidered its Decision in order to ensure that the revenue requirements of B.C. Hydro meet the directed financial standards as envisioned by Exhibit 77C. Consequently, the Commission, under its powers pursuant to Section 114 of the Utilities Commission Act, amends its Decision by Commission Order No. G-39-90 dated the 25th day of May, 1990.

The effect of the Order is to confirm the interim increase of 3 percent from November 15, 1989, followed by a 1.5 percent increase April 1, 1990 and a further 1.5 percent increase April 1, 1991.

- 30 -

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B.C. Utilities Commission

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