



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER..... G-96-91

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

and

IN THE MATTER OF an Application by
British Columbia Hydro and Power Authority
and
Commission Order No. G-93-91

BEFORE: J.G. McIntyre,)
Chairman; and)
K.L. Hall,) October 11, 1991
Commissioner)

O R D E R

WHEREAS:

- A. On October 4, 1991 the Commission issued Order No. G-93-91 which set down B.C. Hydro's Rate Design Application for public hearing to resume on January 13, 1992 in Vancouver, B.C.; and
- B. On October 10, 1991, B.C. Hydro filed for Commission approval an Agreement in Principle ("the Agreement") entered into between B.C. Hydro and West Kootenay Power Ltd. ("WKP") for bulk electricity supply for the period from October 1, 1991 to September 30, 2010. Supply under the Agreement is intended to replace supply under Rate Schedule 3807, the availability of which expired on September 30, 1991 under Commission Order No. G-22-90.
- C. Pursuant to Section 67 of the Utilities Commission Act B.C. Hydro requested an Order:
- approving of a contract incorporating the principles set out in the Agreement;
 - approving an interim rate for supply to WKP at the level previously charged under Rate Schedule 3807 effective October 1 1991 until the approval of the Agreement is given; and
 - establishing a deferral account to maintain any difference in revenue collected under the interim rate and the rates set forth in the Agreement until approval of the rates set forth in the Agreement is given.
- D. The Commission has determined that the Agreement should be included as part of the public hearing into B.C. Hydro's Rate Design Application.

NOW THEREFORE the Commission orders as follows:

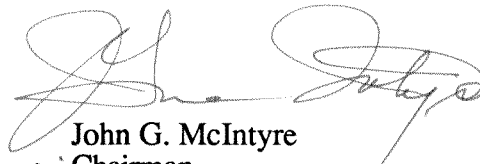
1. The Public Hearing Notice forming part of Commission Order No. G-93-91 is amended and replaced with the Notice attached to this Order.

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2. The Agreement and ensuing contract will be included and will form a separate phase of B.C. Hydro's Rate Design Application and Public Hearing set to commence January 13, 1992.
3. The Commission approves an interim rate for supply to WKP at the level previously charged under Rate Schedule 3807 effective October 1 1991 until the approval of the Agreement is given.
4. Any charges collected by B.C. Hydro and paid by WKP for power supplied at Rate Schedule 3807 levels that are in excess of the Agreement will be placed into a deferral account and will be subject to refund with interest at the average prime rate of the principal bank with which B.C. Hydro conducts its business.
5. A Pre-Hearing Conference into scheduling and other aspects of the B.C. Hydro Rate Design Application is set for 9:00 a.m. local time Thursday, December 12, 1991 in the Commission Hearing Room, Sixth Floor, 900 Howe Street, Vancouver, B.C.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of October, 1991.

BY ORDER


John G. McIntyre
Chairman

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Attachment



B. C. HYDRO AND POWER AUTHORITY RATE DESIGN APPLICATION

NOTICE OF PUBLIC HEARING

THE APPLICATION

B.C. Hydro states that its Rate Design Application begins a process of establishing rates which promote efficient use of electricity by ensuring that electricity is sold at a price which reflects the cost of new supply. B.C. Hydro proposes to adjust rates so that the trailing block rate will equate to its long run incremental costs ("LRIC"). The adjustment is proposed to be done in connection with general rate increases and is to be substantially complete by the end of the decade. The following list provides an overview of the major changes proposed in the Application:

(a) **Residential Rates**

Future approved Revenue Requirement increases would be allocated to the trailing block of consumption until it reaches the LRIC. The first block of consumption is to increase from 275 kW.h to 400 kW.h per month.

b) **General Service Rates**

An expansion of the first block of energy from 275 kW.h to 400 kW.h per month with an increase in the remaining energy block prices sufficient to collect the remainder of the revenue requirement increase allocable to the General Service classes.

(c) **Industrial Rates**

A proposal to continue Rate Schedule 1821-Transmission Service, as modified by future revenue requirements.

An optional rate schedule providing a two-step rate with the trailing step priced at the LRIC.

Alternative rate schedules providing incentives for customers with sources of supply other than B.C. Hydro.

Development of Standby and Backup Service schedules.

d) **Other Affected Rate Classes**

Rate Zone II and other tariff categories such as street lighting and irrigation rate schedules will be modified to maintain consistency with the treatment of the residential, general and industrial rate classes.

(e) **Closed Rate Schedules (Not available to New Customers)**

B.C. Hydro proposes to terminate many of its Closed Rate Schedules as follows:

1140, 1141, 1146, 1147, 1148, 1222, 1223, 1272, 1273, 1275, 1276, 1277, 1278, 1703-(restricted); and (1290, 1843 and 1844 which are no longer in service).

Customers served under the affected Closed Rate Schedules can obtain more information by requesting an Executive Summary of the Application.

(f) West Kootenay Electricity Supply Agreement

B.C. Hydro and West Kootenay Power ("WKP") have entered into an Agreement in Principle for the period October 1, 1991 to September 30, 2010 intended to replace supply under Rate Schedule 3807.

THE PUBLIC HEARING

The Commission has set down the Rate Design Application for public hearing to resume at 8:30 a.m. local time, Monday, January 13, 1992 in the Commission Hearing Room, Sixth Floor, 900 Howe Street, Vancouver, B.C.

PRE-HEARING CONFERENCE

A Pre-Hearing Conference into the Application is set for Thursday, December 12, 1991 at 9:00 a.m. local time in the Commission Hearing Room, Sixth Floor, 900 Howe Street, Vancouver, B.C. The Pre-Hearing Conference will address substantive and procedural matters to include the Rate Design Application, the B.C. Hydro/West Kootenay Power long-term power supply agreement and any other matters that will enable the hearing to proceed efficiently.

PUBLIC INSPECTION OF THE APPLICATION

The Application, supporting material, Agreement in Principle, and Commission Orders No. G-93-91 and G-96-91 are available for inspection at the Head Office of B.C. Hydro, 970 Burrard Street, Vancouver, B.C. V6Z 1Y3, at its District Offices located throughout its service territory, and at the office of the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C.

An Executive Summary of the Application, including the Agreement in Principle, will be made available for inspection at the above-noted locations and will be distributed by the Applicant to Intervenor and Interested Parties as they become registered with the Commission.

INTERVENTIONS AND SUBMISSIONS

Any person wishing to be present at the public hearing and to give evidence or cross-examine witnesses should provide written notice, to be received by the Commission Secretary and the Applicant not later than Tuesday, November 12, 1991. The Notice should include a brief statement as to the nature of the interest in the proceedings. Intervenor or interested parties intending to file written submissions should do so by Monday, December 9, 1991 and provide one copy to the Commission and to the Applicant.

REQUESTS FOR ADDITIONAL INFORMATION

Any person intending to request additional information of B.C. Hydro shall do so not later than Tuesday, November 12, 1991 and B.C. Hydro shall respond to these requests by Friday, November 22, 1991. Should B.C. Hydro request additional information of the Intervenor, it should do so by Monday, December 16, 1991 with Intervenor to respond by Monday, January 6, 1992. Written submissions to the hearing should be submitted, one copy to the Commission Secretary and one copy to the Applicant in order for all parties to be provided with information prior to the public hearing.

CLARIFICATION

Persons intending to participate in the public hearing, who are uncertain as to the manner in which to proceed, may contact Mr. R.J. Pellatt, Commission Secretary, or Mr. B. McKinlay, Manager, Rates and Finance - Electrical, by telephone (660-4700 or B.C. Toll Free: 1-800-663-1385), or in writing.

BY ORDER



Robert J. Pellatt
Commission Secretary

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