



BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER..... G-36-92

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

and

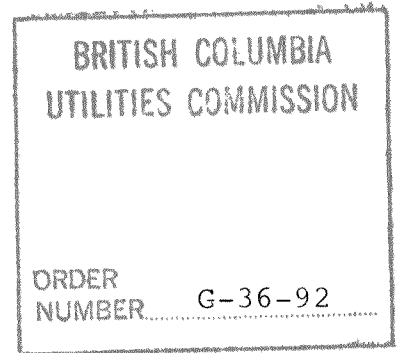
IN THE MATTER OF an Application by  
British Columbia Hydro and Power Authority

BEFORE: J.G. McIntyre, )  
Chairman; and )  
K.L. Hall, ) April 24, 1992  
Commissioner )

**O R D E R**

**WHEREAS:**

- A. On January 15, 1991 British Columbia Hydro and Power Authority ("B.C. Hydro") filed an Application for Rate Design of its Electric Tariffs ("the Application"), as required by Commission Decision and Order No. G-31-90 dated April 30, 1990 and Order No. G-95-90 dated November 30, 1990; and
- B. By Order No. G-28-91 the Commission set down the Application for public hearing to commence June 10, 1991 in Vancouver, B.C.; and
- C. On May 31, 1991 the Industrial Users requested that the Rate Design Application be adjourned until the late Fall of 1991; and
- D. On June 5, 1991, at the public hearing into the adjournment request, the Commission issued a notice to registered intervenors and interested parties that the public hearing into Distribution Extension Policies and the Residential Electric Space Heating Connection Charge would commence on June 10, 1991, but the other Rate Design matters including the termination of Closed Rate Schedules, Cost of Service studies, proposed Residential and General Service rate structuring and the Industrial Rate Proposal would be postponed to a later date and be the subject of a future Commission Order and Notice; and
- E. Commission Order No. G-51-91, dated June 25, 1991, granted an adjournment, sine die, based on the Reasons for Decision in Appendix A of the Order. The Order outlined the basis of the consultation process and reporting designed to ensure that the focus of the Industrial Rate Proposal was clarified and supported the Commission's mandate to set rates in support of the Act inclusive of Special Directions; and
- F. The Commission has received the Reports contemplated by Commission Order No. G-51-91 and on October 4, 1991 issued Order No. G-93-91 which set down the Application for public hearing to resume on January 13, 1992 in Vancouver, B.C.; and
- G. 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 20, 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; and
- H. 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; and
- I. Commission Order No. G-96-91 referred the Agreement to the public hearing authorized by Order No. G-93-91; and
- J. A public hearing into the Application commenced, in Vancouver, B.C., on January 13, 1992 and concluded on February 18, 1992.

**NOW THEREFORE** the Commission, for reasons stated in the Decision, orders as follows:


1. The determinations of the Commission regarding residential and commercial class rate restructuring are provided in Chapter 3 of the Decision.
  - The request to increase the first block of the residential and general service rate to 400 kW.h per month is denied.
  - At the time of the next revenue requirement application, all of the increase applicable to the residential customer class is to be applied to the residential service trailing block; and, at the time of the following revenue requirement the move to flat rates is to be completed unless rate shock can be shown.
  - At the time of the next revenue requirement application, the increase applicable to the General Service Customer class is to be applied such that the maximum increase is given to the general service trailing block (7,000 to 30,000 kW.h) subject to rate shock guidelines; and, any remaining revenue requirement is to be obtained from other trailing blocks.
2. The B.C. Hydro Industrial Rate Proposal ("IRP"), identifying a series of optional services available to transmission customers, requires further work to develop the IRP and coordinate it with Power Smart. Chapter 4 of the Decision provides a detailed review of the highly complex initiatives.
 

All proposed new services involving optional rates, alternative sources of electricity supply, wheeling services, standby services, backup services and excess demand are denied at this time. These include proposed Rate Schedules 1823, 1822, 1824, 1841, 1881, 1882, 1852, 1851, amendments to Rate Schedule 1821 and termination of Rate Schedule 1880.
3. Proposals to close or terminate various rate schedules are ordered as follows:
  - The Application to immediately terminate service on Water Heating Rate Schedules 1140, 1141, 1146, 1147 and 1273 and transfer to open rates is approved.
  - The Application to terminate service on Rate Schedule 1148 for Zone II Residential Space Heating is not approved and the Commission directs B.C. Hydro to apply the attrition solution as set out in Section 5.5 of this Decision. The Commission also directs that the Power Smart retrofit program be aggressively targeted to the customers on Rate Schedule 1148.
  - The Application to terminate service on Rate Schedule 1272 - Water Heating, Space Heating and Air Conditioning and Rate Schedule 1275 - Baking, Cooking and Heating for Restaurants, effective the date of the Commission's Decision, is approved according to the directions as set out in Section 5.5 of this Decision.

- The Application to increase Rate Schedule 1277 - Industrial Service and Rate Schedule 1278 - Power Service for Foundries with Arc Furnaces, by 10 percent annually is not approved. The Commission directs that the attrition solution as set out in Section 5.5 of this Decision be implemented.
  - The Application to terminate Rate Schedule 1276 - DC Service, Elevators and Motors, with a five-year notice is approved, as set out in Section 5.5.3 of this Decision.
  - The Application to increase the pole contact charge for Rate Schedule 1703 - Street Lighting, Municipality Owned Fixtures, and to open this schedule is denied.
  - The Application to close Rate Schedules 1222 and 1223 - Converted House is approved.
  - The Application to terminate in one year Rate Schedules 1222 and 1223 - Converted House, is denied. The Commission directs that all customers who will experience bill decreases be transferred to the applicable open rates immediately. The Commission directs B.C. Hydro to apply the attrition solution as set out in Section 5.5 of this Decision to those customers remaining on the rate schedule.
  - The Application to reduce the bill impact that results from the termination of Rate Schedules 1272 and 1275 to no more than 10 percent per year is approved, but according to the conditions set out in Section 5.5 of this Decision rather than by means of an immediate credit.
  - The Application to terminate expired Rate Schedules 1290, 1843 and 1844 is approved.
4. The Commission accepts the need for a Monitoring Program with reporting requirements and budget proposals as itemized in Chapter 6 of the Decision.
  5. The WKP/B.C. Hydro Power Purchase/Supply Agreement will be the subject of a future Commission Order and is conditional upon the filing of a fully executed agreement between the parties.
  6. The Commission will accept, subject to timely filing, amended Electric Tariff Rate Schedules which conform to the terms of the Commission's Decision.
  7. B.C. Hydro will comply with all directions contained in the Decision accompanying this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 24<sup>th</sup> day of April 1992.

BY ORDER



John G. McIntyre  
Chairman

/ds