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BRITISH COLUMBIA  
UTILITIES COMMISSION

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ROBERT J. PELLATT  
COMMISSION SECRETARY

May 31, 1994

Mr. Thom M. Thompson  
Vice President, Corporate & Aboriginal Affairs  
British Columbia Hydro and  
Power Authority  
17th Floor - 333 Dunsmuir Street  
Vancouver, B.C.  
V6B 5R3

Dear Mr. Thompson:

Re: British Columbia Hydro and Power Authority  
Application to Extend Tariff Variance-Kincolith, B.C.

Further to your May 24, 1994 request to extend the Electric Tariff Variance of the Kincolith, B.C. prepaid metering pilot project, the Commission extends the variance to the end of November 1994 to enable the utility to consider making the project operational on a permanent basis.

However, the Commission notes that the Post Implementation Review enclosed with the request makes much of the fact that the Commission supposedly imposed restrictions which "impacted the project's ability to achieve its stated objectives", and states that "implementation on a larger scale and in other types of environment should only be pursued after careful consideration of its numerous implications" (which include the difficulty in convincing the BCUC of the merits of the scheme). It should be noted that Commission Order No. G-77-92 imposed no conditions on the project other than periodic reports on progress and customer reactions and/or objections. B.C. Hydro's own Application stated that participation would be voluntary and that it would continue to read meters to determine how the more direct price signal affects consumption decisions.

The Commission also notes that the Review states that the pilot project should be operationalized, that the concept should be extended into other remote areas and that it will require B.C. Hydro to file an application to amend its Electric Tariff prior to the end of the approval period.

Yours truly,

Robert J. Pellatt

BMK/ssc