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

and

An Application by British Columbia Hydro and Power Authority
for approval to Increase Schedule of Standard Charges

BEFORE: M.K. Jaccard, Chairperson)
L.R. Barr, Deputy Chairperson; and) March 23, 1995
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. On February 17, 1995 British Columbia Hydro and Power Authority ("B.C. Hydro") filed an Application, pursuant to Section 67(2) of the Utilities Commission Act, to amend the Schedule of Standard Charges and Definitions Section contained in its Electric Tariff; and
- B. The Application was a result of increased labour and other charges applicable to work and services performed by B.C. Hydro; and
- C. The existing Standard Charges were last approved in the Commission's July 31, 1991 Distribution Extension Policy Decision. In that Decision, the Commission stated:

"While the Commission accepts the philosophy of moving standard charges to full cost, it does not agree that the term full cost should replace specific dollar amounts in the tariff for these significant cost items. Accordingly, those standard charges which are currently in the tariff can only be amended with Commission approval. By this decision, the Commission affirms that such standard tariff charges must be reflected in dollar amounts."

However, the charges approved in that Decision came after a public hearing of the Application, which in turn followed a complaint by the British Columbia Public Interest Advocacy Centre, that inadequate notice was given of the hearing of the Application, and that a public hearing should be directed. The resulting Decision stated:

"The Commission shares the concerns of B.C. Hydro regarding administrative costs and those of the intervenors regarding appropriate advance notice of changes in rates. Accordingly, the Commission invites B.C. Hydro to make suggestions on methods to satisfy both these concerns."

B.C. Hydro did not subsequently address those concerns and did not ask for increases in standard charges when it had the opportunity in its 1994 Revenue Requirements Hearing; and

D. More recently, the Commission's November 24, 1994 Decision stated:

"The Commission is concerned that the current B.C. Hydro distribution extension policy may not be consistent with recent determinations made by the Commission for other utilities. Essentially, it is the objective of the Commission that any system extension reflect the total social cost of extending service.


The Commission directs B.C. Hydro to review the principles underlying its distribution extension policy to ensure that they are compatible with its IRP methodologies. The review should include consideration of the extent to which some communities may be better served in ways other than via connection to B.C. Hydro's grid, for example, through the application of distributed generation technologies. The Commission proposes to undertake a general review of extension policy, within a multi-utility framework, during the coming year."

NOW THEREFORE the Commission orders as follows:

1. The Application by B.C. Hydro to amend the Schedule of Standard Charges and Definitions section of its Electric Tariff is not approved at this time.
2. B.C. Hydro is advised that the matter of changes to the Definitions Section and Schedule of Standard Charges, including connection and other charges, will be the subject of a multi-utility review of extension policies, the timing and format of which will be set down by a future Commission Order. B.C. Hydro will be required to become an active participant in the proceedings.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of April, 1995.

BY ORDER


Dr. Mark K. Jaccard
Chairperson