



ROBERT J. PELLATT
COMMISSION SECRETARY

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June 26, 1995

Mr. David A. Harrison
Senior Vice President,
Corporate & Financial Affairs and
Chief Financial Officer
British Columbia Hydro and Power Authority
18th Floor, 333 Dunsmuir Street
Vancouver, B.C.
V6B 5R3

Dear Mr. Harrison:

Re: British Columbia Hydro and Power Authority
Report - Interclass Rate Design Options

In the Decision of November 24, 1994, B.C. Hydro was instructed to bring forth new rate design proposals as part of an Integrated Resource Plan ("IRP") process. On page 78 of the Decision, the Commission panel stated:

"The Commission shares the concerns of the Intervenorers that B.C. Hydro should bring forth new rate design proposals as part of the IRP process. The Commission directs B.C. Hydro to file a report with the Commission by February 28, 1995 which describes the various intra-class rate design options available to the Utility. The report, which should examine items such as performance based hook-up fees, inverted rates, time-of-use rates, etc., should be considered by the new IRP consultative committee as part of a package of strategies to be included in the June 30, 1995 filing of the IRP."

B.C. Hydro responded with a report entitled Intraclass Rate Design Options (dated February, 1995) which describes nine different rate design alternatives and outlines the major features, impacts, applicability, and constraints of each proposal. Commission staff have reviewed the report and have found it to be a useful resource document which will aid in the analysis of B.C. Hydro's expected filings on the Integrated Resource Plan and the Industrial Service Options application. With the IRP filing that will be made on September 30, 1995, the Commission sees no need to respond specifically to the report. However, B.C. Hydro is reminded that the Commission will be interested in the rate design options adopted in both applications.

Yours truly,

A handwritten signature in dark ink, appearing to read "R. Pellatt".
Robert J. Pellatt

RB/ssc

BCH/Cor/Rpt-Interclass RD Options