

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3
CANADA



TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

and

West Kootenay Power Ltd.
Application for Approval of 1997 Rates

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) January 7, 1997

O R D E R

WHEREAS:

- A. Commission Order No. G-73-96 approved the May 24, 1996 Settlement Agreement setting up a rate adjustment mechanism for a three-year period beginning January 1, 1996, whereby West Kootenay Power Ltd. ("WKP") is required to file with the Commission a Statement of Adjustments for a rate increase effective January 1 of the next year; and
- B. The terms of the 1996 Settlement Agreement required that an Annual Review process be instituted, whereby the public would be invited to examine the material, submit other issues for determination by the Commission, and meet to review all issues prior to the rate application being made including the requirement for the Commission to approve the Load Forecast, Power Purchases and Distribution Extension Capital Expenditures for 1997; and
- C. On November 1, 1996 WKP filed with the Commission its Preliminary 1997 Revenue Requirements material for the Annual Review. The Commission set down, by Order No. G-97-96, an Annual Review meeting that was held on December 4, 1996 in Kelowna, B.C.; and
- D. Following the results of the Annual Review, WKP filed, on December 12, 1996, its Application for Final Rates by customer class effective January 1, 1997 including a 2 percent increase to residential rates, offset by a reduction in general service rates as directed by Commission Order No. G-41-94; and
- E. The Commission has reviewed the material and finds that approval of 1997 rates for WKP is required.

NOW THEREFORE the Commission orders WKP as follows:

1. The 1997 Revenue Requirements of \$120,499,000 are approved as applied for, including deferral of the timing impacts of deferred income tax credits on the 1997 forecast income tax expense.
2. The Application of the 2 percent rate design restructuring to the residential basic charge is denied. WKP is directed to recover the class revenue deficiency from the trailing block of energy only.
3. Costs associated with the new extension policy for 1997 are approved subject to the Commission's decision on the appropriate implementation date for the new policy.
4. Subject to timely filing by WKP, the Electric Tariff Rate Schedules which conform to the directions in this Order will be approved by the Commission.
5. WKP is to inform all customers of the rate schedule changes and impacts approved by this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of January, 1997.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chairperson