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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-131-97

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

A Complaint by Customers into Rates charged by
British Columbia Hydro and Power Authority

BEFORE: L.R. Barr, Deputy Chair)
and Acting Chair)
K.L. Hall, Commissioner) December 11, 1997
P.G. Bradley, Commissioner)

O R D E R

WHEREAS:

- A. On November 18, 1997, Bull Housser and Tupper, on behalf of the Council of Forest Industries, the Mining Association of British Columbia and the Electro-Chemical Producers ("the Industrial Customers"), complained, pursuant to Section 58 of the Utilities Commission Act ("the Act"), that the rates charged by British Columbia Hydro and Power Authority ("B.C. Hydro") were not just and reasonable and were in contravention of the Act and Regulations. The Industrial Customers requested that the Commission immediately make all B.C. Hydro rates interim, reduce B.C. Hydro's rates by 7.5 percent pending the outcome of a hearing, and require B.C. Hydro to expeditiously file a full revenue requirements application for its fiscal year 1997/98; and
- B. On November 20, 1997, the British Columbia Public Interest Advocacy Centre ("BCPIAC") filed a similar complaint on B.C. Hydro rates and requested a hearing under Section 58 of the Act to determine to what extent B.C. Hydro rates should be reduced; and
- C. The Commission directed B.C. Hydro to provide a full response to the complaints on, or before, Tuesday, December 2, 1997, with detailed pro-forma revenue requirement forecasts in a format consistent with previous revenue requirement filings; and

- D. The B.C. Hydro response argued that the Complainants have not made out a case for their requests, and were based on retrospective data in B.C. Hydro's Annual Report. However, the information made available by B.C. Hydro, while insufficient to specify the amount of change in the level of its rates, did provide projections to show that B.C. Hydro's actual Return on Equity may be higher than that approved by the Commission; and
- E. The Commission has reviewed the complaints and information filed on the matter and has determined that a review into B.C. Hydro's rates is required.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to Section 91 of the Act, the special circumstances of this case require the rates charged by B.C. Hydro to be declared as interim, effective the date of this Order.
2. B.C. Hydro is to file with the Commission a detailed review of its revenue requirements for the 1997/98 and 1998/99 fiscal periods, as soon as possible, but no later than January 30, 1998.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of December, 1997.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chair and
Acting Chair