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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-114-97

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

and

An Application by British Columbia Hydro and Power Authority
for Approval of its Real Time Pricing Application

BEFORE: L.R. Barr, Deputy Chair)
and Acting Chair) November 12, 1997
K.L. Hall, Commissioner)
F.C. Leighton, Commissioner)

O R D E R

WHEREAS:

- A. On July 17, 1996 the Commission issued Order No. G-76-96 and its Decision on the British Columbia Hydro and Power Authority ("B.C. Hydro") Industrial Services Options Application which approved Real Time Pricing ("RTP") Rate Schedule 1848 for a one-year trial period ending July 17, 1997. The Decision also required B.C. Hydro to monitor and examine various aspects of Rate Schedule 1848 and to file, at the end of the trial period, a proposal with the results of its examinations, evaluations, suggested criteria and procedures with respect to certain aspects of Rate Schedule 1848; and
- B. The Commission, by Order No. G-66-97, approved an extension of the termination date for Rate Schedule 1848 and Supplementary Agreements, from July 17, 1997 to the date of the Commission's Decision into B.C. Hydro's August 1, 1997 application for the RTP program; and
- C. The Commission, by Order No. G-82-97, approved an extension of the July 17, 1997 termination date to the date of the Commission's Decision on B.C. Hydro's August 1, 1997 RTP application for Rate Schedules 1288 and 1844 and Supplementary Agreements; and
- D. On July 25, 1997 B.C. Hydro applied to the Commission for a delay in filing its RTP Application from August 1, 1997 to September 19, 1997. The Commission, by Order No. G-88-97, approved the requested delay in filing to September 19, 1997; and
- E. On September 17, 1997 B.C. Hydro, pursuant to Section 61 of the Utilities Commission Act, filed its application to amend RTP Rate Schedule 1848 and requested that intervenors and interested parties, previously involved in the RTP Application be given a chance to comment which was done; and
- F. On October 27, 1997 B.C. Hydro filed its responses to the Commission's October 15, 1997 Information Requests, copies of which were provided to all interested parties; and
- G. The Commission has reviewed the information submitted and finds that approval of the revised RTP Application is appropriate and in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for B.C. Hydro its revised RTP Application, effective the date of this Order. Subject to timely filing by B.C. Hydro, the Commission will approve the Electric Tariff Rate Schedules in accordance with the approval given by this Order. The Commission remains concerned about the suitability of the Mid-Columbia ("Mid-C") index as a proxy for the B.C./U.S. border price during periods of extreme transmission constraint in Washington State. Therefore, customers who elect to participate in the RTP program will accept any such costs arising from a constraint-induced decoupling of the B.C. and U.S. Pacific Northwest energy markets.
2. The Commission is also concerned about changes in the RTP program's take-or-pay provisions. The Commission notes that B.C. Hydro intends to unbundle its 1821 rate and expects that this unbundling will permit a more certain assessment of the 1848 rate to ensure that all customers are covering their fair share of the fixed costs associated with transportation.
3. The Commission will monitor and evaluate the RTP program on an ongoing basis and such policies and rate schedules may be the subject of rate design improvements in the future.
4. As Rate Schedules 1844 and 1288 are linked to Rate Schedule 1848, the Commission's decision is to extend the RTP changes which affect Rate Schedules 1844 and 1288 to those schedules.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of November, 1997.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chair and
Acting Chair