



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

and

the British Columbia Hydro and Power Authority
Price Dispatched Curtailment Program - Rate Schedule 1849

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair)
P.G. Bradley, Commissioner) September 2, 1999
B.L. Clemenhagen, Commissioner)
K.L. Hall, Commissioner)
F.C. Leighton, Commissioner)

O R D E R

WHEREAS:

- A. On December 4, 1998, British Columbia Hydro and Power Authority ("B.C. Hydro") applied to the Commission for an Order, pursuant to Sections 58 and 61 of the Utilities Commission Act ("the Act"), that B.C. Hydro may charge and collect certain rates in accordance with the terms of Rate Schedule 1849, "Special Provisions for the Price Dispatched Curtailment ("PDC") Pilot Program", for a period from December 14, 1998 to February 28, 1999; and
- B. The Commission by Order No. G-107-98, approved the PDC Pilot Program for the period December 14, 1998 through February 28, 1999, and required B.C. Hydro to provide the Commission with a detailed evaluation report by March 31, 1999. On March 31, 1999, B.C. Hydro filed its PDC Evaluation Report in accordance with the Order; and
- C. In a letter dated April 20, 1999, the Commission requested comments from interested parties regarding B.C. Hydro's PDC Pilot Program and the Evaluation Report; and
- D. The Commission reviewed the PDC Pilot Program, the Evaluation Report and comments received from interested parties and, on May 28, 1999, issued Order No. G-57-99, which began a process to develop a permanent PDC Program by establishing a Workshop for June 17, 1999; and
- E. On May 31, 1999, B.C. Hydro requested that the PDC Workshop be postponed and that the Commission approve amendments to Rate Schedule 1849, to allow it to be effective June 1, 1999; and
- F. On June 1, 1999, the Commission asked parties interested in the PDC Program to comment on B.C. Hydro's May 31, 1999 request and to respond by June 2, 1999; and
- G. The Commission reviewed the B.C. Hydro filing and responses from interested parties; and
- H. The Commission, by Order No. G-64-99, rescinded Order No. G-57-99, approved for B.C. Hydro Rate Schedule 1849, effective June 1, 1999, on a temporary basis until a permanent PDC Program could be approved by the Commission in the fall of 1999, and ordered B.C. Hydro to file an application for a permanent PDC Program by August 13, 1999; and

- I. In a letter dated August 9, 1999, B.C. Hydro submitted that, despite Order No. G-64-99, “it is B.C. Hydro’s decision as to whether or not we offer a PDC Program to our customers”; and
- J. B.C. Hydro stated in its August 9, 1999 letter, that it did not intend to file an application for a new PDC Program at that time, that it intended to begin negotiating on a one-to-one basis with interested individual industrial customers, and that the new contracts may not constitute a service regulated under the Act, although contracts which require variations to the Electricity Supply Agreement may require Commission approval; and
- K. In its August 9, 1999 letter, B.C. Hydro suggested that “the PDC Pilot Program be extended until 31 December, 1999”; and
- L. In a letter dated August 19, 1999, counsel for the Joint Industry Electricity Steering Committee submitted that the existing PDC Program is a tariff item clearly within the Commission’s jurisdiction and requested that the Commission require B.C. Hydro to act in accordance with Order No. G-64-99 and, if B.C. Hydro failed to comply, that the Commission review the PDC Program as filed and require such modifications to the program as the evidence and submissions presented during the review may require; and
- M. In a letter dated August 19, 1999, the British Columbia Public Interest Advocacy Centre submitted that the PDC Program is reviewable under the Act, and that the Commission should proceed with a review of the Program; and
- N. In a letter dated August 25, 1999, B.C. Hydro stated that it had begun discussions with several customers regarding individual contracts on market-based load curtailment opportunities.

NOW THEREFORE the Commission orders as follows:

- 1. The Commission directs that an oral public hearing be held in two phases to consider the PDC Program: Phase I – to determine the Commission’s jurisdiction to regulate such a program and any modifications to the PDC Program; and Phase II – to determine if any modifications to the existing PDC Program are warranted by the evidence. Oral argument on each phase will occur at the end of each phase. The Commission may hear evidence on both phases prior to rendering a full decision, but some participants may wish to provide evidence and argument that jurisdiction issues should be resolved prior to discussion of PDC Program modifications.
- 2. Parties are directed to file Submissions, Information Requests and Responses for both phases of the hearing as set out in the attached Regulatory Timetable (Appendix B), and Issues List (Appendix C), to this Order.
- 3. A Pre-hearing Conference will be held at 9:00 a.m., October 5, 1999, in the Commission Hearing Room to consider procedural matters, the issues list and any other preliminary matters.
- 4. Pursuant to Sections 61(3) and 63 of the Act, the existing PDC Program offered under Rate Schedule 1849 is to continue without modification until a future Order of the Commission resolves the jurisdiction issues and determines any appropriate modifications to the PDC Program.

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER **G-91-99**

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5. A Notice of Public Hearing is attached as Appendix A to this Order. B.C. Hydro is required to publish the Notice, as soon as possible, in the Vancouver Sun and Province newspapers.
6. B.C. Hydro is to provide all known interested parties and customers in the PDC Program with a copy of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 8th day of September 1999.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachments

ROBERT J. PELLATT
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>



APPENDIX A
to Order No. G-91-99
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NOTICE OF PUBLIC HEARING

The British Columbia Hydro and Power Authority Price Dispatched Curtailment ("PDC") Program Rate Schedule 1849

Date: November 22, 1999
Time: 9:00 a.m.
Location: Hearing Room
British Columbia Utilities Commission
Sixth Floor, 900 Howe Street, Vancouver, B.C.

THE REGULATORY PROCESS

A Price Dispatched Curtailment program enables B.C. Hydro and participating industrial customers to share the financial benefits in times of high market prices for electricity, through a temporary curtailment of the customer's electricity consumption.

An oral public hearing will be held in two Phases to consider B.C. Hydro's existing PDC Program (Rate Schedule 1849). Phase I considers the Commission's jurisdiction to regulate such a program and any modifications to the existing Program. Phase II is to determine if any modifications to the existing Program are warranted by the evidence.

Oral argument on each phase will occur at the conclusion of that phase. The Commission may hear evidence on both phases prior to rendering a full decision, but some participants may wish to provide evidence and argument that jurisdiction issues should be resolved prior to discussion of Program modifications.

PUBLIC INSPECTION OF THE APPLICATION

Copies of Order No. G-91-99 and all other material related to this hearing are available for inspection at:

British Columbia Hydro and Power Authority

Head Office: Rates and Regulatory Affairs Department
13th Floor, 333 Dunsmuir Street, Vancouver, B.C.
Telephone: (604) 623-4046

British Columbia Utilities Commission

Sixth Floor, 900 Howe Street, Vancouver, B.C.

PARTICIPATION IN THE PUBLIC HEARING

Those customers or persons wishing to participate in the public hearing are to advise the Commission Secretary in writing by Friday, October 1, 1999, of their intention to become Intervenors or Interested Parties. Registered Intervenors who actively participate in the proceedings will receive copies of all submissions, correspondence and filed documentation. Interested Parties who register with the Commission will receive a copy of all Orders issued, as well as the Commission's Decision.

INFORMATION REQUESTS

B.C. Hydro will file its submissions by October 8, 1999. Intervenors requesting additional information concerning B.C. Hydro's submissions, should submit their requests no later than Friday, October 22, 1999. B.C. Hydro is required to respond to information requests no later than Monday, November 1, 1999.

SUBMISSIONS BY INTERVENORS

Intervenors must file two copies of their written submissions or evidence concerning B.C. Hydro's PDC Program, one with the Commission Secretary at Box 250, 900 Howe Street, Vancouver, B.C., V6Z 2N3 and the other with B.C. Hydro with the Rates and Regulatory Affairs Department, 333 Dunsmuir Street, 13th Floor, Vancouver, B.C. V6B 5R3, no later than Monday, November 15, 1999.

FURTHER INFORMATION

Persons intending to participate in the PDC Program proceedings and who are uncertain how to proceed, may contact Mr. Robert J. Pellatt, Commission Secretary, or Mr. Jim Fraser, Manager of Strategic Services, as follows:

Telephone: (604) 660-4700
B.C. Toll Free: 1-800-663-1385

Facsimile: (604) 660-1102
E-mail: commission.secretary@bcuc.com

BY ORDER

Original signed by:

Robert J. Pellatt
Commission Secretary

REGULATORY TIMETABLE

British Columbia Hydro and Power Authority Price Dispatched Curtailment Program - Rate Schedule 1849

ACTION	DATE
Deadline for Intervenor Registration	October 1, 1999
Pre-hearing Conference	October 5, 1999
Deadline for filing Participant Assistance Budgets	October 8, 1999
Submission by British Columbia Hydro and Power Authority	October 8, 1999
Information Requests	October 22, 1999
Responses to Information Requests	November 1, 1999
Submissions of Intervenors	November 15, 1999
Commencement of Public Hearing	November 22, 1999

PRELIMINARY ISSUES LIST

British Columbia Hydro and Power Authority Price Dispatched Curtailment Program - Rate Schedule 1849

Jurisdictional Issues

1. Is the existing Price Dispatched Curtailment (“PDC”) tariff a regulated service or regulated rate under the Utilities Commission Act?
2.
 - (a) Are individual PDC agreements “contracts” subject to Section 64 of the Utilities Commission Act?
 - (b) Are individual PDC agreements Energy Supply Contracts as defined in Section 68 of the Utilities Commission Act, and therefore subject to Section 71?
3. Does the Commission have jurisdiction to order new or amended PDC tariff schedules and rates under Sections 58, 59, and/or 60 of the Utilities Commission Act?
4. Can a utility use assets – which have been built under Certificates of Public Convenience and Necessity for service to customers and included in the rates of regulated tariffs – for non-regulated purposes without the consent of the Commission?

Program Issues

1. Pricing:
 - determinations of utility and customer incremental costs and lost revenues;
 - appropriate sharing of net revenue; and
 - impacts on other rate schedules
2. Terms and Conditions:
 - eligibility;
 - conditions required to initiate a curtailment event; and
 - post-curtailment makeup of Rate Schedules 1821/1848 electricity sales volumes.