



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

and

A Complaint by Certain Large Industrial Customers of
the British Columbia Hydro and Power Authority
for Approval of Amendments to Real Time Pricing Rate Schedule 1848

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair)
K.L. Hall, Commissioner) April 16, 1999
F. 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; and
- B. The Commission, by Order No. G-114-97, approved for B.C. Hydro its revised Rate Schedule 1848 Application effective November 18, 1997. The Rate Schedule defined a RTP energy price tied directly to an electricity price index published by Dow Jones for transactions at the Mid-C trading hub; and
- C. On June 18, 1998, the Commission issued Order No. G-55-98 which established a workshop for July 7, 1998 at which B.C. Hydro and workshop participants were instructed to attempt to reach agreement on the most appropriate index for pricing RTP energy, given changes to information published by Dow Jones, and, failing agreement, were invited to provide the Commission with comments on the appropriate index; and
- D. Commission Order No. G-66-98, issued July 24, 1998, approved the proposal arising from the workshop for revising the index options contained in Rate Schedule 1848 and also contained a provision requiring B.C. Hydro to conduct a workshop review of the RTP program on November 12, 1998; and
- E. On July 31, 1998, B.C. Hydro wrote to the Commission requesting that an exception be made to the termination clause (clause iv) of the Supplementary Agreement associated with Rate Schedule 1848 to

allow customers to terminate service under Rate Schedule 1848 effective the date notice is given rather than the end of the billing period. In its letter, B.C. Hydro stated that it supported the request on the basis that each RTP customer would be given only one opportunity to terminate the Supplementary Agreement prior to the end of the billing period and all of the restrictions on re-entering the program, including a one-year waiting period, would apply; and

- F. On August 17, 1998, the Commission issued Letter No. L-53-98 approving the earlier termination but noted that its approval was based on the fact that both parties to the Supplementary Agreement supported the requested exception to clause (iv) and on the fact that the electricity markets were in a transitional phase to a more competitive market. As the market for electricity became more competitive, and as participants became more experienced with the markets and risk management, the Commission stated that it would be more reluctant to approve such incremental changes to tariffs; and
- G. By way of a letter dated October 21, 1998, B.C. Hydro applied to the Commission for permission to cancel the workshop directed by Commission Order No. G-66-98, citing the reduced number of customers using the RTP program and its expectation that future customer use would be low given foreseeable market conditions; and
- H. After canvassing interested parties, on November 3, 1998, the Commission approved the cancellation but stated that it might direct a replacement workshop for early 1999; and
- I. On November 25, 1998, B.C. Hydro applied, pursuant to Section 63 of the Utilities Commission Act (“the Act”), for a variance to Rate Schedule 1848, effective August 1, 1998, which would allow the reduced Customer Baseline Load (“CBL”) customers taking service under Rate Schedule 1848 the option to retroactively change their accounts to Rate Schedule 1821-Transmission Service to any date of their choosing on or after August 1, 1998. The application also sought to amend Rate Schedule 1848 by inserting a provision in the Special Conditions whereby a customer who terminates service under a RTP rate schedule would be subject to a waiting period of one year from the date of termination before the customer can reapply for RTP service; and
- J. On December 11, 1998, the Commission issued Order No. G-102-98 granting B.C. Hydro's requests; and

- K. On December 7, 1998, the Commission Secretary issued a letter to all RTP participants, inviting comments on the merit of holding a workshop to explore the issues surrounding the RTP program and asking when the workshop should be held; and
- L. The Commission received replies from Aquila Canada Corp., Duke Energy, Desco, Willis Energy Services Ltd. and the Joint Industry Electricity Steering Committee (“the Committee”). All parties indicated that a workshop would be desirable, and those parties who addressed timing indicated that a late winter or early spring date would be appropriate; and
- M. In its letter dated December 24, 1998, the Committee specifically identified “...the impact of the one year limit on returning to RTP, in light of the mass exodus of RTP customers in the second half of 1998 ...”; and
- N. After review of these submissions, the Commission issued Letter No. L-6-99 which established a workshop to discuss B.C. Hydro's RTP program for March 11, 1999; and
- O. Subsequent to the issuance of this letter but prior to the workshop being held, the Commission received letters from Pacifica Papers, Quesnel River Pulp Company, Sterling Pulp Chemicals, B.C. Chemicals Ltd., Finlay Forest Industries Inc., and the University of British Columbia indicating that they were concerned with the impact of the one-year limit on returning to RTP. Finlay Forest Industries Inc., the University of British Columbia and Pacifica Papers specifically requested the right to return to the RTP rate schedule as soon as possible; and
- P. On March 11, 1999, the workshop was held; and
- Q. On March 12, 1999, Commission staff wrote B.C Hydro advising the Utility that at the workshop it was suggested that, if B.C. Hydro were amenable, the Commission should be asked to waive the one-year provision for 1999, on a without prejudice basis, to any further deliberations on this provision of the tariff. In the letter, Commission staff asked B.C. Hydro if the Utility would support a waiver of the one-year provision, on a without prejudice basis, for 1999 only; and
- R. By letter dated March 17, 1999, B.C. Hydro provided an initial response which identified the financial impacts of the proposal on the Utility. Given these impacts, B.C. Hydro stated that it would need to consult with its shareholder before it would be able to support the proposal; and

- S. By letter dated March 18, 1999, B.C. Hydro stated that it had consulted with its shareholder and was prepared to allow customers who left the RTP program within the last 12 months to return subject to certain conditions; and
- T. These letters were circulated to interested parties for review and comment; and
- U. On March 18, 1999, the Consumers Association of Canada (B.C. Branch) et al. ("CACBC") wrote the Commission opposing the proposal, maintaining that the March 18, 1999 letter from B.C. Hydro did not constitute an application on which the Commission could proceed. This view was repeated in an additional letter received from the CACBC dated April 12, 1999; and
- V. On March 26, 1999, the Committee wrote to Commission staff expressing its support for B.C. Hydro's proposal. In addition, responses in support of the proposal were received from four large industrial customers as well as Willis Energy Services Ltd.; and
- W. On April 1, 1999, a letter was also received from ZE Power Group on behalf of certain electro-chemical producers who indicated that they supported the proposal on an interim basis. However, ZE Power Group requested additional changes to make the proposal more responsive to its clients' particular circumstances; and
- X. On April 14, 1999, the Committee wrote to Commission staff expressing the view that a formal application was not required and that the process had been such as to allow the Commission to make a determination on this matter under the complaint provisions of the Act; and
- Y. The Commission considered the submissions with respect to the process associated with the issue and determined that it had received a complaint; and
- Z. The Commission has reviewed the merits of the proposed waiver to the provision of Rate Schedule 1848 that states that parties leaving the program may not return for one year.

NOW THEREFORE the Commission, for reasons stated in the Reasons for Decision attached as Appendix A to this Order, directs as follows:

1. A waiver of the provision in the Special Conditions contained in Rate Schedule 1848 which states that a customer who terminates RTP service will be subject to a waiting period of one year from the date of termination before the customer can reapply for service is granted for 1999 only. A customer may exercise this option only once. In addition, the Commission approves the specifics of the proposal as set out in B.C. Hydro's letter dated March 18, 1999.
2. This waiver is also granted, under the same terms and conditions, for other RTP related schedules.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of April 1999.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachment

A COMPLAINT BY CERTAIN LARGE INDUSTRIAL CUSTOMERS OF THE
BRITISH COLUMBIA HYDRO AND POWER AUTHORITY AND WEST KOOTENAY POWER LTD.
FOR APPROVAL OF AMENDMENTS TO REAL TIME PRICING RATE SCHEDULE 1848

REASONS FOR DECISION

1.0 BACKGROUND

In July 1996, the British Columbia Utilities Commission (“the Commission”, “BCUC”) approved British Columbia Hydro and Power Authority’s (“B.C. Hydro”, “the Utility”) Rate Schedule 1848 – Real Time Pricing (“RTP”), on a one-year trial basis, as a result of the Utility's Industrial Service Options Application. In November 1997, the Commission issued Order No. G-114-97, confirming the Rate Schedule subject to certain modifications. Specifically, the RTP price was tied directly to an electricity price index published by Dow Jones for transactions at the Mid-Columbia trading hub.

On June 1, 1998, Dow Jones ceased reporting an average transaction price and began reporting two distinct indices reflecting different degrees of firmness in the delivery obligation. On June 18, 1998, the Commission issued Order No. G-55-98 which established a workshop at which B.C. Hydro and workshop participants were instructed to attempt to reach agreement on the most appropriate index for pricing RTP energy, given the change in the Dow Jones reporting. Failing agreement, the participants were invited to provide the Commission with comments on the appropriate index. The workshop produced a proposal for revising the index options contained in Rate Schedule 1848 and comments in support of the proposal were received from a number of parties. After review of the proposal and the comments the Commission approved the changes to the program by Order No. G-66-98, issued July 24, 1998.

At the workshop established by Order No. G-55-98, it became clear that some parties desired a more comprehensive review of the program. Accordingly, Order No. G-66-98 also contained a provision requiring B.C. Hydro to conduct a workshop review of the RTP program on November 12, 1998. Although the Order specifically identified pricing issues, the Order did not limit the issues for consideration to these concerns.

On July 31, 1998, B.C. Hydro wrote the Commission requesting that an exception be made to the termination clause (clause iv) of the Supplementary Agreement associated with Rate Schedule 1848. This clause states that an RTP customer may terminate service under Rate Schedule 1848 at any time with such termination to have effect as of the end of the Billing Period in which the notice to terminate is received. B.C. Hydro stated that some customers had requested that this provision be varied so that the termination would have effect on

the date that the notice to terminate is received, rather than the end of the billing period. In its letter, B.C. Hydro stated that it supported the request on the basis that each RTP customer would be given only one opportunity to terminate the Supplementary Agreement prior to the end of the billing period and all of the restrictions on re-entering the program, including a one-year waiting period would still apply.

Staff investigation revealed that virtually all RTP customers had terminated their participation in the program in response to significantly higher than anticipated market prices for electricity. On August 17, 1998, the Commission issued Letter No. L-53-98 approving the earlier termination but noted that its approval was based, at least in part, on the facts that both parties to the Supplementary Agreement supported the requested exception to clause (iv) and that the electricity markets were in a transitional phase to a more competitive market. As the market for electricity became more competitive, and as participants became more experienced with the markets and risk management, the Commission stated that it would be more reluctant to approve such incremental changes to tariffs.

By way of a letter dated October 21, 1998, B.C. Hydro applied to the Commission for permission to cancel the workshop, citing the reduced number of customers using the RTP program and its expectation that future customer use would be low, given foreseeable market conditions. This letter was circulated to interested parties for comment. In general, the responses indicated that a workshop remained desirable but that a postponement would be acceptable. On this basis, the Commission approved the cancellation but stated that it might direct a replacement workshop for early 1999.

On November 25, 1998, B.C. Hydro applied for an additional variance to Rate Schedule 1848. Specifically, B.C. Hydro asked that a variance be granted that would allow reduced Customer Baseline Load ("CBL") customers taking service under Rate Schedule 1848 the option to retroactively change their accounts to Rate Schedule 1821 on any date of their choosing on or after August 1, 1998. In support of this Application, B.C. Hydro noted that the average RTP price, which is based on a market index, had been greater than the average cost per kW.h under Rate Schedule 1821. The letter also asked that Rate Schedule 1848 be amended by inserting a provision in the Special Conditions which explicitly stated that a customer who terminates RTP service would be subject to a waiting period of one year from the date of termination before the customer can reapply for service. On December 11, 1998, the Commission issued Order No. G-102-98 granting B.C. Hydro's requests.

In order to determine if a workshop on the RTP was desirable, a letter was sent to those parties who had expressed a desire for a re-scheduled workshop, requesting that they submit a list of outstanding issues concerning the RTP program. Four letters were received. On December 7, 1998, the Commission sent these letters to all RTP participants, inviting comments on the merit of using a workshop to explore the issues raised in the letters and asking when the workshop should be held.

In response to this letter, the Commission received replies from Aquila Canada Corp., Duke Energy, Desco, Willis Energy Services Ltd. and the Joint Industry Electricity Steering Committee ("the Committee"). All parties indicated that a workshop would be desirable, with those parties who addressed timing indicating that a late winter or early spring date would be appropriate. In its letter dated December 24, 1998, the Committee specifically identified "... the impact of the one-year limit on returning to RTP, in light of the mass exodus of RTP customers in the second half of 1998...".

After review of these submissions, the Commission issued Letter No. L-6-99 which established a workshop for March 11, 1999, to discuss B.C. Hydro's RTP program.

Subsequent to the issuance of this letter but prior to the workshop being held, the Commission received letters from some of B.C. Hydro's large volume customers regarding the need for a workshop on RTP. These included Pacifica Papers, Quesnel River Pulp Company, Sterling Pulp Chemicals, B.C. Chemicals Ltd., Finlay Forest Industries Inc., and the University of British Columbia. Several of these customers indicated that they were concerned with the impact of the one-year limit on returning to RTP, with some (Finlay Forest Industries Inc., the University of British Columbia and Pacifica Papers) specifically requesting the right to return to the RTP rate schedule as soon as possible.

On March 11, 1999, the workshop was held with Commission staff in attendance.

On March 12, 1999, Commission staff wrote B.C. Hydro, advising the Utility that, at the workshop, industrial customers expressed a desire to have B.C. Hydro remove the provision of the tariff that states that a customer who terminates service under Rate Schedule 1848 may not reapply for this service for a period of one year following the date of termination.

The letter also stated that it was recognized that, as a general case, a removal of the one-year provision might have cost implications for other customer classes and that, before such a removal was approved by the Commission, the full implications would need to be examined through a public process. However, given the mandated rate freeze, the letter stated that it was suggested that these other customer implications would not occur, so that, if B.C. Hydro were amenable, the Commission should be asked to waive the one-year provision for 1999 on a without prejudice basis to any further deliberations on this provision of the tariff. The letter indicated that several parties expressed the view that, if the Commission approved the waiver, this would allow parties who were otherwise eligible to use RTP to take advantage of the low market prices expected to occur this spring. In light of these discussions, staff asked B.C. Hydro for its view concerning the appropriateness of a waiver of the one-year provision for 1999. Specifically, staff asked if B.C. Hydro would support a waiver of the one-year provision, on a without prejudice basis, for 1999 only.

By letter dated March 17, 1999, B.C. Hydro provided an initial response which identified the financial impacts of the proposal on the Utility. Given these impacts, B.C. Hydro stated that it would need to consult with its shareholder before it would be able to support the proposal. By further letter dated March 18, 1999, B.C. Hydro stated that it had consulted with its shareholder and was prepared to allow customers who left the RTP program within the last 12 months to return subject to certain conditions. These are set out in Section 3.0 below.

The B.C. Hydro letters were circulated to interested parties for review and comment. On March 18, 1999, the Committee wrote the Commission and asked for a week to study the proposal put forward by B.C. Hydro and to assess its implications. This letter was also circulated to interested parties with a commitment by staff to circulate the Committee's submission when it arrived and a suggested timetable which would allow parties to comment on the Committee's submission and allow B.C. Hydro a right of further reply.

On March 26, 1999, the Committee wrote Commission staff, expressing its support for B.C. Hydro's proposal. This submission was circulated to interested parties and B.C. Hydro. In addition, responses in support of the proposal were received from four large industrial customers as well as Willis Energy Services Ltd.

On April 1, 1999, a letter was also received from ZE Power Group on behalf of certain electro-chemical producers who indicated that they supported the proposal on an interim basis since it could prove useful for other large industrials, but that it would not be of benefit to them. ZE Power Group requested additional changes to make the proposal more responsive to its clients' particular circumstances.

Although most of the submissions were from B.C. Hydro's industrial customers, on March 18, 1999, the Consumers' Association of Canada (B.C. Branch) et al. ("CACBC") also provided a submission in which it opposed the proposal. Further, the CACBC maintained that the March 18, 1999 letter from B.C. Hydro did not constitute an application so that regardless of its merits, the Commission could not, on the basis of the process which had occurred until then, approve the waiver of the one-year provision. This view was repeated in an additional letter received from the CACBC, dated April 12, 1999.

On April 14, 1999, the Committee wrote Commission staff expressing the view that a formal application was not required and that the process had been such as to allow the Commission to make a determination on this matter.

The procedural questions are discussed in Section 2.0, below.

2.0 PROCEDURAL ISSUES

As noted above, the CACBC maintains that the March 18, 1999 letter from B.C. Hydro does not constitute an application from B.C. Hydro so that the Commission cannot make a determination on the issue of the variance to the tariff.

This view is disputed by the Committee which states that the March 18, 1999 letter from B.C. Hydro did meet the qualifications of an application, albeit an informal application. In addition, the Committee indicated that it does not view the matter before the Commission as one requiring a formal application since, in its view, the activities to date can also be characterized, among other things, as a complaint by the Committee under Section 58 or 83 of the Utilities Commission Act ("the Act").

Section 58 of the Act states the following:

"58 (1) The commission may,

- (a) on its own motion, or
- (b) on complaint by a public utility or other interested person that the existing rates in effect and collected or any rates charged or attempted to be charged for service by a public utility are unjust, unreasonable, insufficient, unduly discriminatory or in contravention of this Act, the regulations or any other law,

after a hearing, determine the just, reasonable and sufficient rates to be observed and in force."

Section 83 of the Act states:

"83 If a complaint is made to the commission, the commission has powers to determine whether a hearing or inquiry is to be had, and generally whether any action on its part is or is not to be taken."

The Commission has reviewed all of the material which was submitted to the Commission prior to the March 11, 1999 workshop and has determined that it comprises a complaint under either Section 58 or 83 of the Act.

Therefore, the Commission finds that it has the authority to proceed to a disposition of this issue without further process.

3.0 REQUESTED VARIANCE

3.1 The Proposal

As indicated in Section 1.0 of this Decision, Rate Schedule 1848 contains a condition which prohibits a customer from returning to the RTP program for one year after leaving the RTP program. In its letter dated March 18, 1999, B.C. Hydro proposes that the Commission grant a variance to this provision of the tariff subject to certain conditions. Specifically, B.C. Hydro proposes the following:

1. any customer who left the program within the last 12 months can elect to be deemed never to have left it;
2. customers who elect this option will receive a billing adjustment for the period commencing the day they left the program and ending the day the Commission approves this proposal which reflects the difference between the rate they did pay under Rate Schedule 1821 and the rate they would have paid had they remained on Rate Schedule 1848; and
3. customers in the load retention category of Rate Schedule 1848 will be deemed to have had their load retention CBL adjustment agreement continued until December 18, 1998; business cases to support continuance of the CBL reduction from December 19, 1998 forward would be considered.

In making this proposal, B.C. Hydro states that this accommodation is being offered on a one-time only basis and should in no way be viewed as a precedent for varying the existing terms of the RTP program including the prohibition on returning to the program for one year after leaving in future years. Further, B.C. Hydro states that its support for this proposal is conditioned on transmission voltage customers refraining from pursuing the issue further and on an indefinite deferral of formal review of other issues relating to the RTP program so as to permit B.C. Hydro and its customers to pursue discussions with respect to rate options which show more potential.

Although B.C. Hydro proposed a variance of the one-year provision as set out above, the Utility recognized that the proposal had financial implications for its shareholder. In its initial March 17, 1999, response, the Utility stated that a return without conditions could result in a reduction in its income of up to \$11.5 million if all those customers who previously qualified for a reduction in their CBL and subsequently left the program returned to it at the same CBL level they were on when they left the program. Alternatively, if all customers returned at 100% of their CBL, B.C. Hydro estimated the reduction would be in the order of \$4.5 million. B.C. Hydro did not provide an estimate of the reduction in its income under the conditions it proposed.

3.2 Responses to Proposal

As noted in Section 1.0, the Committee wrote Commission staff expressing its support for this proposal. In its submission, the Committee stated that it believed that the proposal offers a benefit to a significant number of industrial customers and would allow the RTP program to remain a meaningful program even in the face of the largely unpredictable electricity market resulting from abnormal weather patterns experienced over the last couple of years (letter dated March 26, 1999). At the same time, the Committee indicated that it would like to see B.C. Hydro work with its customers to find a way to eliminate hardship where it is caused by applying RTP prices to loads taken at a time when the customer expected to pay Rate Schedule 1821 prices and can demonstrate that it would have otherwise reduced its take of electricity. Finally, the Committee indicated that its support of the offer was based in part on B.C. Hydro's offer to work with industrial customers to develop new rate options which would give customers added options and flexibility.

The Committee agreed with B.C. Hydro that a hearing on RTP issues at this time would not be desirable as it believed that it would divert the efforts of both B.C. Hydro and the customers from giving other options the priority they deserve.

Although the Committee supported the proposal, certain electro-chemical producers stated that the proposal was insufficient to meet their particular circumstances. In a letter dated April 1, 1999 from ZE Power Group, they stated that they supported the proposal on an interim basis since it could prove useful for other large industrials but that it would not be of benefit to electro-chemical producers. Accordingly, ZE Power Group requested that the Commission direct B.C. Hydro to create a new rate for electro-chemical producers that will meet their particular needs and suggested that B.C. Hydro should limit the retroactivity provisions outlined in its March 18, 1999 letter to December 18, 1998 for this group of customers. This request was specifically opposed by B.C. Hydro in a letter dated April 6, 1999.

As indicated in Section 1.0, the CACBC opposed the proposal on the grounds that it required the Commission to abandon accepted regulatory principles. CACBC argued that such an abandonment of accepted regulatory principles should not be made in favour of a small group of businesses and to the detriment of B.C. Hydro's owner which it maintained is, at some levels, synonymous with B.C. Hydro's ratepayers, particularly the core market (letter dated March 18, 1999). In addition, the CACBC stated that even though B.C. Hydro's shareholder had indicated, through B.C. Hydro, its willingness to absorb this impact, before the Commission could take note of this willingness, the government would need to issue a Special Direction. In making this argument, the CACBC referenced the Commission's Decision dated March 10, 1999 with respect to West Kootenay Power Ltd.'s Transmission Access Application in which the Commission stated that while it "... must 'comply with any general or special direction, made by regulation

of the Lieutenant Governor in Council, with respect to the exercise of its powers and functions', in the absence of such a direction, the Commission must assume that the desire of the government is for the Commission to use its own best judgement" (p. 9).

3.3 Commission Determinations

The provision of the tariff for which a variance is requested was approved by the Commission in order to prevent customers who are eligible for the RTP program from having the ability to switch, at will, between the lower of market-priced and embedded-cost priced electricity. The absence of this or a similar provision, would, in normal circumstances, allow these customers the possibility of escaping payment of their fair share of B.C. Hydro's cost of service, a possibility which could only lead to one of two equally undesirable consequences. Either rates to other customer classes would have to increase to keep the Utility whole, or the Utility's shareholder would be prevented from receiving a fair return on its investment. In either case, the Commission would be open to charges that it had set rates which were unfair, unjust and unreasonable. Accordingly, in normal circumstances, the Commission would be unwilling to entertain a variance to this provision of the tariff.

In this case, the government has implemented a rate freeze so that there are no direct impacts on other customer classes. Further, B.C. Hydro has indicated that its shareholder is willing to accept a reduction in its return, subject to the limitations imposed by the conditions contained in B.C. Hydro's March 18, 1999 letter. Accordingly, the questions before the Commission are (i) is the representation of B.C. Hydro that its shareholder is willing to accept a reduction in its return sufficient so that, when coupled with the rate freeze, the Commission can find that normal conditions do not exist; and (ii) if yes, is the waiver in the public interest?

CACBC has argued that a Special Direction is required to show that the shareholder is willing to accept a reduction in its return. The Commission is of the view that the intent of a Special Direction is to allow the Commission to make decisions which would not necessarily result from normal regulatory practice. In this case, if the management of an investor-owned utility were to state that it had consulted with its shareholder and that its shareholder was prepared to make the same offer that B.C. Hydro has indicated that it is willing to make, the Commission would accept the word of management. The Commission does not find that B.C. Hydro's management should be required to meet a higher standard of proof than that of an investor-owned utility. Accordingly, the Commission does not find that a Special Direction is a prerequisite to its consideration of the proposed variance.

With respect to whether the requested waiver is in the public interest, the Commission notes that, as discussed above, in the context of the rate freeze, other ratepayers will not be adversely affected by approval of the waiver. The Commission does not accept the argument put forward by the CACBC that the shareholder and the ratepayers are, at some level, synonymous.

Therefore, given that B.C. Hydro has made this offer, certain customers wish to take up the offer and no other ratepayers are being harmed as ratepayers, the Commission finds that the waiver is in the public interest.

Therefore, the Commission approves for 1999 the waiver of the provision in the Special Conditions contained in Rate Schedule 1848 which states that a customer who terminates RTP service will be subject to a waiting period of one year from the date of termination before the customer can reapply for service. A customer may exercise this re-entry option only once. In addition, the Commission approves the specifics of the proposal as set out in B.C. Hydro's letter dated March 18, 1999.

This waiver is also granted, under the same terms and conditions, for other RTP related schedules.

The Commission declines to order the requests made by the Electro-Chemical producers.

With respect to the issue of further review processes with respect to RTP, the Commission encourages B.C. Hydro and its customers to pursue discussions with respect to other rate options aimed at meeting the needs of these customers. As a result, in the absence of compelling evidence indicating that a further immediate examination is required, the Commission does not intend to establish a further review process at this time.