



SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-130-00

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

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

and

West Kootenay Power Ltd.
2000 Annual Review and 2001 Revenue Requirements
and Incentive Mechanism Review Application

BEFORE: P. Ostergaard, Chair)
B.L. Clemenhagen, Commissioner) December 21, 2000
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. Commission Order No. G-134-99 approved the November 22, 1999 Settlement Agreement setting up an amended rate adjustment mechanism for the period beginning January 1, 2000 and ending December 31, 2002, whereby West Kootenay Power Ltd. ("WKP") is required to file annually with the Commission materials for a rate change, if any, effective January 1 of the next year; and
- B. The terms of the Settlement Agreement require that an Annual Review process be instituted, whereby the public will be invited to examine the filed material, submit other issues for determination by the Commission, and meet to review all issues prior to the final rate application being made; and
- C. In accordance with Commission Order No. G-103-00, an Annual Review was held which reviewed the Preliminary 2001 Revenue Requirements and Incentive Mechanism Review Application filed on November 10, 2000, after which participants submitted their comments on the issues to the Commission; and
- D. WKP's performance in 2000 against each of the standards agreed to in the 1998 Settlement Agreement, as amended in the 1999 and 2000-2002 Settlement Agreements, was also reviewed in order to determine whether WKP has earned its incentive adjustments; and
- E. In accordance with Commission Order No. G-134-99, WKP filed, on December 19, 2000, its Application for a general rate increase of five percent for all customer classes, effective January 1, 2001; and
- F. The Application includes a preliminary incentive variance of \$563,000, to be shared 50/50 between WKP and the ratepayer if WKP meets its performance standards for 2000; and
- G. Three of the participants submitted that, as WKP has not met all the performance standards, the incentive adjustment for 2000 should not be approved. The Application describes why WKP believes it has met its obligations; and
- F. The Commission has reviewed the material and finds that approval of 2001 rates for WKP is required.

NOW THEREFORE the Commission orders as follows:

1. A general rate increase of five percent for all customer classes, effective January 1, 2001 is approved.
2. WKP has not met its performance standards in accordance with the Incentive Sharing Mechanism and has not earned its portion of the preliminary sharing adjustment for 2000.
3. The Commission accepts the recovery of retroactive costs incurred in accordance with the Cominco Ltd. Long Term Power Supply Agreement.
4. The Commission will accept revised Revenue Requirements Schedules and Electric Tariff Rate Schedules in accordance with the terms of this Order.
5. WKP is to inform all customers of the rate schedule changes approved by this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 27th day of December 2000.

BY ORDER

Original signed by:

Peter Ostergaard