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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-32-06

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

and

**An Application by the British Columbia Hydro and Power Authority
for Approval of Interim Rates for its F2007 and F2008 Revenue Requirements**

BEFORE: R.H. Hobbs, Chair
L.A. Boychuk, Commissioner March 23, 2006
A.J. Pullman, Commissioner

O R D E R

WHEREAS:

- A. On March 15, 2006, the British Columbia Hydro and Power Authority ("BC Hydro") applied for Commission approval to set its current rates as interim effective April 1, 2006 (the "Application"), subject to a review of its F2007 and F2008 Revenue Requirements pursuant to Sections 58 and 60 of the Utilities Commission Act (the "Act"); and
- B. By Decision dated October 29, 2004, the Commission approved BC Hydro's rates effective April 1, 2004 and April 1, 2005; and
- C. Based on current rates, BC Hydro is forecasting a revenue deficiency in F2007, contrary to the requirements of Heritage Special Direction No. HC2 to the Commission; and
- D. In BC Hydro's view, section 4 of Heritage Special Direction No. HC2 to the Commission contemplates the Commission setting BC Hydro's rates on a fiscal year basis in order to allow BC Hydro to collect sufficient revenue in each fiscal year to meet its obligations; and
- E. On March 21, 2006, the Joint Industry Electricity Steering Committee ("JIESC") filed a submission which opposes the Application as being unnecessary, inappropriate and detrimental to customers. In the JIESC's view, BC Hydro's request can only be an attempt to circumvent the rule against retroactive rate increases and the Commission's long standing rule that a utility seeking an interim increase, must file a detailed, and adequate application with the Commission 30 days in advance of when the interim increase is to take effect. The JIESC requests that the Commission deny the Application; and
- F. The Commission has reviewed the Application, the JIESC's submission and finds that interim rates are warranted.

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NOW THEREFORE the Commission orders as follows:

1. Pursuant to Section 89 of the Act, the Commission approves for BC Hydro the current customer rates as interim, effective with consumption on and after April 1, 2006.
2. Any further determination on BC Hydro's rates for F2007 and F2008 will be made following the filing of the F2007 and F2008 Revenue Requirements Application.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of March 2006.

BY ORDER

Original Signed by:

Robert H. Hobbs
Chair