

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-71-06

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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 ("BC Hydro")
for the Review of the F2007 and F2008 Revenue Requirements Application ("F07/08 RRA")
and for the Review of the 2006 Integrated Electricity Plan ("2006 IEP")
and the Approval of the 2006 Long-Term Acquisition Plan ("2006 LTAP")

BEFORE:

R.H. Hobbs, Chair
L.A. Boychuk, Commissioner
A.J. Pullman, Commissioner

June 19, 2006

O R D E R

WHEREAS:

- A. On May 25, 2006, BC Hydro filed the balance of its F07/08 RRA as proposed in its letter to the Commission dated March 15, 2006. The F07/08 RRA requests approval, pursuant to Sections 58, 59, 60 and 90 of the Utilities Commission Act (the "Act"), for an across-the-board rate increase of 4.65 percent from July 1, 2006 to allow a partial recovery of its F07 revenue requirements, a further increase of 2.71 percent effective April 1, 2007 and a regulatory asset (deferral account) to record the F07 revenue deficiency between April 1, 2006 and the date its rates are raised on an interim basis, net of any disallowance of F07 revenue requirements; and
- B. In a letter dated March 15, 2006, BC Hydro had applied for Commission approval to set its current rates as interim effective April 1, 2006, and in the same letter informed the Commission that it proposed to file its F07/08 RRA in late April 2006; and
- C. By Order No. G-32-06 dated March 23, 2006, the Commission approved current customer rates as interim effective April 1, 2006; and
- D. On May 10, 2006, the Commission issued a letter with a draft regulatory timetable and an accompanying Order No. G-51-06 (IEP Exhibit A-4) to address issues raised by Intervenor with respect to the delay by BC Hydro in filing the F07/08 RRA; and
- E. Following a Procedural Conference held on May 19, 2006, by Order No. G-59-06 the Commission approved the request for a reconsideration of Order No. G-32-06 with Reasons attached to Letter No. L-21-06; and
- F. By Order No. G-60-06, the Commission established a timetable for submissions on BC Hydro's requested July 1, 2006 interim rate increase; and

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2

- G. In accordance with the timetable established by Order No. G-60-06, by letters dated June 7 and June 8, 2006 respectively, the BC Old Age Pensioners Organization et al. did not oppose and the Sierra Club of Canada (B.C.) Chapter et al. supported BC Hydro's requested July 1, 2006 interim rate increase. By letter dated June 14, 2006 BC Hydro responded to the intervenor submissions and requested approval of its July 1, 2006 interim rate increase; and
- H. The Commission has reviewed the submissions on BC Hydro's requested interim rate increase and considers that approval is warranted.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to Section 89 of the Act, a 4.65 percent interim increase in rates is approved effective July 1, 2006 to be applied to the rates as described in Appendix B of the F07/08 RRA.
2. The interim rate increase is subject to refund with interest at the average prime rate of the principal bank with which BC Hydro conducts its business.
3. The Commission will accept, subject to timely filing by BC Hydro, amended Electric Tariff Rate Schedules in accordance with the terms of this Order.
4. BC Hydro is to provide customers with notification of the interim rate increase as soon as practicable.

DATED at the City of Vancouver, in the Province of British Columbia, this 21st day of June 2006

BY ORDER

Original signed by:

Robert H. Hobbs
Chair