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VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-59-06

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

May 24, 2006

O R D E R

WHEREAS:

- A. In a letter dated March 15, 2006, BC Hydro 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
- B. By Order No. G-32-06 dated March 23, 2006, the Commission approved current customer rates as interim effective April 1, 2006; and
- C. By Commission Order No. G-103-05 dated October 5, 2005, the Commission approved a Negotiated Settlement in the Resource Expenditure Acquisition Plan ("REAP") proceeding. In the REAP Negotiated Settlement, BC Hydro committed to seek, pursuant to Section 45 (6.2) of the Utilities Commission Act (the "Act, "UCA"), regulatory approval of its 2006 LTAP, to be included with its 2006 IEP; and
- D. On March 29, 2006 BC Hydro filed, pursuant to Section 45 (6.1) of the Act, its 2006 IEP and 2006 LTAP with the Commission for review; and

- E. The 2006 IEP is a long-term plan that describes how BC Hydro could meet customers' electricity needs over a 20-year planning horizon and the resource options available to meet those needs under a variety of assumptions and risks; and
- F. The 2006 LTAP is an action plan that is supported by the 2006 IEP. It itemizes the actions BC Hydro intends to take in the next ten years to meet customers' electricity needs as part of BC Hydro's overall planning and resource acquisition process; and
- G. BC Hydro seeks an Order which: (i) states that the 2006 LTAP meets the requirements of Section 45 (6.1) of the UCA; (ii) makes specific determinations under Subsection 45 (6.2)(b) of the UCA with respect to certain planned expenditures; and (iii) approves the transmission LTAP plan and Contingency Plans for inclusion in the BC Hydro's Network Integrated Transmission Service application; and
- H. In its cover letter dated March 29, 2006, BC Hydro proposed a Procedural Conference to assist with establishing a Regulatory Agenda for both its F07/08 RRA and the 2006 IEP and 2006 LTAP; and
- I. By Order No. G-37-06 the Commission established a Procedural Conference to hear submissions on the regulatory process for the review of the both the F07/08 RRA and the 2006 IEP and 2006 LTAP. The Procedural Conference was scheduled for May 19, 2006; and
- J. In a letter dated May 1, 2006, BC Hydro informed the Commission and all Intervenors and Interested Parties of a delay and that the balance of its F07/08 RRA would be filed towards the end of May 2006; and
- K. The Joint Industry Electric Steering Committee ("JIESC") submitted to the Commission in a letter dated May 5, 2006 that participants should not be required to file Information Requests with respect to the 2006 IEP, 2006 LTAP or F07/08 RRA prior to the filing of the RRA because the Applications are intertwined. It submitted that the Procedural Conference be postponed to the week of June 19, 2006. The JIESC also

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requested that the Commission reconsider its Order No. G-32-06 approving BC Hydro's current rates as interim; and

- L. 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
- M. The Commission held a Procedural Conference on May 19, 2006 wherein the Commission Panel considered submissions on whether or not the Order on interim rates should be reconsidered; whether a Rate Design Application ("RDA") should be filed; and the scheduling for the regulatory review of the 2006 IEP and 2006 LTAP, the F07/08 RRA and a RDA (if required by the Commission); and
- N. The Commission concluded that the Regulatory Timetable attached to IEP Exhibit A-4 should be amended.

NOW THEREFORE the Commission orders as follows:

1. The request for reconsideration of Order No. G-32-06 on interim rates is approved. The Commission will issue Letter No. L-21-06 with Reasons attached that establishes a timetable for submissions.
2. BC Hydro is required to file a RDA. The date for filing the RDA will be decided after determining the oral hearing schedules for the two Applications in the Second Procedural Conference. The Regulatory Agenda is set out in Appendix A to this Order.
3. After the Second Procedural Conference, the Commission will issue a further Procedural Order and Regulatory Agenda for the review of the 2006 IEP and LTAP and the RRA.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of May 2006

BY ORDER

Original signed by:

Robert H. Hobbs
Chair

Attachment

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APPENDIX A
to Order No. G-59-06
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AMENDED REGULATORY TIMETABLE

ACTION	DATE (2006)
BC Hydro filing of F07/08 RRA	Monday, May 29
IEP and LTAP IRs to BC Hydro (BCUC No. 2 and Intervenor No. 1)	Monday, June 5
BC Hydro Technical Workshop (Revenue Requirement Spreadsheet Model)	Monday, June 5
RRA IRs to BC Hydro (BCUC No. 1)	Thursday, June 22
BC Hydro Response to IEP and LTAP IRs (BCUC No. 2 and Intervenor No. 1)	Friday, June 30
BC Hydro's Evidence re Project Evaluation	Friday, June 30
RRA IRs to BC Hydro (Intervenor No. 1)	Wednesday, July 5
IRs on Evidence re Project Evaluation (BCUC and Intervenor No. 1)	Monday, July 10
BC Hydro Responses to RRA IRs (BCUC and Intervenor No. 1)	Wednesday, July 26
BC Hydro Responses to Evidence re Project Evaluation IRs (BCUC and Intervenor IR No. 1)	Wednesday, July 26
Second Procedural Conference (to address consolidation; further rounds of IRs; timetable for filing of evidence by Applicant and Intervenor and IRs thereon; scheduling of oral hearings; and any other matters)	Tuesday, August 1