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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-25-07

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

**and**

**An Application by  
Princeton Light and Power Company, Limited  
for Approval of Meter Upgrade Program**

**BEFORE:** L.F. Kelsey, Commissioner March 14, 2007  
L.A. Zaozirny, Commissioner

**O R D E R**

**WHEREAS:**

- A. Princeton Light and Power Company, Limited ("PLP") filed on November 30, 2006 a Program Justification and Prudency Report – Meter Upgrade Program ("MUP"), as requested by Commission Order No. G-65-06. PLP submits that the implementation of the MUP lowers customer costs and that the decision to make the expenditure is justified ("the Application"); and
- B. In its Reasons contained in Appendix A to Order No. G-65-06 the Commission noted that PLP will have spent \$243,102 for the project by the end of 2006 (BCUC IR 5.3.1). Section 7, Appendix 2 in PLP's 2005 Annual Report to the Commission for the fiscal year ended March 31, 2005 stated that PLP's meter replacement project was over budget by \$25,666. Actual cost was \$125,666 on a budget of \$100,000; and
- C. By Order No. G-65-06, the Commission directed PLP to discontinue forthwith the MUP. PLP was requested to justify why the costs incurred (to the time the MUP is discontinued), above the \$100,000 Certificate of Public Convenience and Necessity threshold, as suggested by PLP in its 2005 Annual Report, should not be disallowed. Details were to include, but not be limited to, the budgeted expenditures, actual expenditures, number of meters, and cost per meter. The Commission ordered that if PLP does not file for program continuation, the program justification and prudency review is to be filed at the earlier of the next revenue requirements application or with the 2006 Annual Report to the Commission; and
- D. By Order No. G-159-06, the Commission approved an application by Fortis Pacific Holdings Inc., FortisBC Inc. ("FortisBC") and PLP for approval to transfer PLP shares and assets to FortisBC and the wind up of PLP and ordered that a determination with respect to the MUP would be made by way of a future order; and

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- E. PLP indicated in the November 20, 2006 Application that PLP is in the process of reorganization with FortisBC and therefore will not file to continue with the MUP. The Application provided an accounting of the \$126,444 cumulative cost of the MUP and the net present value estimated at \$16,927. PLP calculated benefits from avoided replacement, avoided re-verification fees, sampling for re-verification and improved meter reading efficiency to offset the cumulative cost of the MUP. Budgeted expenditures were not provided; and
- F. The Commission issued Information Request No. 1 on December 22, 2006; and
- G. FortisBC responded on January 31, 2007 to Information Request No. 1 since FortisBC has taken over responsibility for PLP filings as a result of the January 1, 2007 wind-up of PLP pursuant to Commission Order No. G-159-06. FortisBC, in response to questions from Information Request No. 1, now calculates the cost of the MUP to be \$142,720 and the net present value to be \$3,662; and
- H. The Commission has reviewed the Application and the responses to Information Request No. 1. The Commission accepts the revised program justification and prudency report and notes the marginally positive net present value of the MUP.

**NOW THEREFORE** pursuant to Sections 23 and 24 of the Utilities Commission Act, the Commission orders as follows:

1. The Commission allows up to the \$142,720 cumulative cost of the MUP to be included in PLP's plant assets.
2. The Commission approves the transfer of the \$142,720 MUP assets to FortisBC, effective January 1, 2007.
3. The Commission directs FortisBC to refrain from any further MUP expenditures until it has applied for and received Commission approval for the specific program and additional expenditure.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 15<sup>th</sup> day of March 2007.

BY ORDER

*Original signed by*

L.F. Kelsey  
Commissioner