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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-84-07

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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 Approval to set the Current Special Contract Rate as an
Interim Rate Effective June 1, 2007**

BEFORE: A.J. Pullman, Panel Chair
L.A. O'Hara, Commissioner July 19, 2007
R.J. Milbourne, Commissioner

O R D E R

WHEREAS:

- A. The Commission, by Order No. G-30-98, approved BC Hydro's use of a standard rate that will apply to all new Special Contract customers and determined that the new rate calculation method of the Special Contract rate be incorporated in its Electric Tariff. BC Hydro is required to annually calculate the rate to be charged to its Zone II Special Contract customers according to the new rate calculation method; and
- B. In its letter of comment to the Commission on the Commission Staff Issues List in the BC Hydro 2007 Rate Design Application ("2007 RDA") proceeding dated July 5, 2007, BC Hydro proposed that it would submit an application on or before December 1, 2007 that would address all Zone II issues. The letter was entered as Exhibit B-21 in the 2007 RDA proceeding; and
- C. Pursuant to Commission Order No. G-30-98 as amended by Order No. G-120-00, BC Hydro by letter dated July 11, 2007, provided the Commission with the Zone II diesel fuel, operating and maintenance costs for fiscal 2007. BC Hydro calculates the energy charge would be \$0.2522 per kWh for the year commencing June 1, 2007; and
- D. In the July 11, 2007 letter BC Hydro proposes that the F2006 Zone II Special Contract rate of \$0.1769 per kWh effective June 1, 2006 continue for the contract year beginning June 1, 2007 on an interim (refundable) basis until BC Hydro has filed its application, on or before October 1, 2007, for a new Special Contract rate calculation and the Commission has issued its order regarding that application. The letter was entered as Exhibit B-37 in the 2007 RDA proceeding; and
- E. By letter dated July 6, 2007, BC Hydro filed with the Commission, pursuant to Commission Orders No. G-44-91 and G-79-91, an application for interruptible rates to Independent Power Producers serving Zone II customers for the period commencing July 1, 2007 and ending June 30, 2008. The letter was entered as Exhibit A2-3 in the 2007 RDA proceeding; and

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- F. The Commission has considered the July 6, 2007 and July 11, 2007 filings by BC Hydro in Phase I of the 2007 RDA proceeding.

NOW THEREFORE, the Commission orders as follows:

1. Pursuant to Section 89 of the Act, the Commission approves for BC Hydro the current Zone II Special Contract rate on an interim (refundable) basis, effective June 1, 2007 and until BC Hydro has filed its application for a new Zone II Special Contract Rate calculation and the Commission has made its Order regarding that application.
2. BC Hydro will remove Section 2 of Tariff page B-36 and replace it with the revised Section 2 as proposed in the July 11, 2007 application.
3. BC Hydro is directed to file its application with the Commission to address all the issues related to the Zone II rates, including issues related to the Special Contract rate, on or before October 1, 2007.
4. The review of the application with respect to the interruptible rates to the Independent Power Producers serving Zone II customers will be deferred until Phase III of the 2007 RDA proceeding, or another process that the Commission may establish upon receipt of the BC Hydro application on Zone II rates.

DATED at the City of Vancouver, in the Province of British Columbia, this 26th day of July, 2007.

BY ORDER

Original signed by:

A.J. Pullman
Panel Chair