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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-106-07

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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 Transmission Corporation
for Approval of the
Disposition of the Fiscal 2007 balance in the Revenue Deferral Account, Cost of Market Deferral Account,
Emergency Maintenance Deferral Account, and Regulatory Expenditure Deferral Account**

BEFORE: L.F. Kelsey, Commissioner
P.E. Vivian, Commissioner

September 13, 2007

O R D E R

WHEREAS:

- A. By Order No. G-96-04 the Commission approved a British Columbia Transmission Corporation ("BCTC") Application to establish a Revenue Deferral Account, Cost of Market Deferral Account, Emergency Maintenance Deferral Account, and a Regulatory Expenditure Deferral Account (together, the "Deferral Accounts"); and
- B. By Orders No. G-139-06 and G-143-06 the Commission approved BCTC's F2007 Transmission Revenue Requirements Application ("BCTC F2007 TRRA"). The BCTC F2007 TRRA included a request to clear the F2006 deferral account balances and proposed a method for allocating the deferral account balances to customers; and
- C. On July 25, 2007, BCTC applied to the Commission under Section 60 of the Utilities Commission Act and Section 6(c) of Special Direction 9 to dispose of the Fiscal 2007 balance in the Deferral Accounts (the "Application"); and
- D. BCTC is seeking approval to dispose of the Fiscal 2007 balance in the Deferral Accounts by way of a one-time refund or charge to be allocated amongst customer classes in accordance with the rate methodology approved in the BCTC F2007 TRRA and as described in the Application; and
- E. BCTC provided a copy of the Application to the Registered Intervenor from the BCTC F2007 TRRA ("F2007 Registered Intervenor"); and
- F. By letter dated August 23, 2007, the Commission requested that the F2007 Registered Intervenor file any comments on the Application by August 29, 2007; and

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- G. By letter dated August 29, 2007, the Joint Industry Electricity Steering Committee (“JIESC”) provided its comments. The JIESC submits that: 1) the appropriateness of the current pricing of the counter flow transmission on transmission schedules should be reviewed; 2) the Emergency Maintenance Deferral Account (“EMDA”) balance should be treated as a rolling amount carried over to Fiscal 2008; and 3) the Commission should direct BCTC to provide a more detailed breakdown of regulatory expenses (e.g. both by expenses type and regulatory proceeding); and
- H. By letter dated August 29, 2007, British Columbia Hydro and Power Authority agreed with BCTC’s Application for Disposition; and
- I. By letter dated August 30, 2007, the Commission requested that BCTC respond to the comments in the JIESC’s August 29, 2007 letter; and
- J. By letter dated September 5, 2007, BCTC responded to the JIESC’s comments. The response includes: 1) an explanation that the transmission service pricing formula is subject to further consultation; 2) BCTC’s view that it is not to carry over credit or debit balances but rather clear the EMDA account at the end of fiscal year in accordance to Commission Order No. G-139-06; and 3) the requested schedule providing the detailed breakdown of regulatory expenses; and
- K. The Commission has reviewed the submissions and considers that the Application is in the public interest.

NOW THEREFORE the proposed disposition of the Fiscal 2007 balance in the Deferral Accounts as described in the Application is approved effective October 1, 2007.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of September 2007.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner