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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-130-07

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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  
2007 Rate Design ("2007 RDA") Phase I**

**BEFORE:** A.J. Pullman, Panel Chair  
R.J. Milbourne, Commissioner October 26, 2007  
L.A. O'Hara, Commissioner

**O R D E R**

**WHEREAS:**

- A. British Columbia Hydro and Power Authority ("BC Hydro") filed on March 15, 2007, pursuant to the Utilities Commission Act ("the Act") and Commission Order No. G-148-06, the 2007 Rate Design Application ("Application") to update BC Hydro's rates and terms and conditions of service; and
- B. The Application addresses rate rebalancing, rate restructuring, changes to the E-Plus rates, General Service rates, and amendments to its Terms and Conditions of Service, including the distribution extension policy. On May 8, 2007, the Commission established an oral public hearing process for the review of the Application by Order No. G-50-07 (Exhibit A-4); and
- C. Central Coast Power Corporation ("CCPC") is an Independent Power Producer ("IPP") in the Non-Integrated Area ("NIA") whose Energy Purchase Contract with BC Hydro was the subject of Information Requests and a motion by a Registered Intervenor, the Heiltsuk Tribal Council/Shearwater Marine Ltd. ("Heiltsuk"). On July 3, 2007, the Commission issued Commission Letter No. L-57-07 to inform all Parties that the Commission would hear the motion from Heiltsuk immediately following the Opening Statement of the Panel Chair; and
- D. The Commission Panel Hearing Issues List was issued on July 6, 2007 (Exhibit A-23). Items No. 6 and 7 on the Issues List related to "NIA – Zone II rates" and the "Bella Bella NIA" and were identified in the cover letter as subject to the Commission Panel's determination on the motions then before the Panel; and
- E. By letter dated July 6, 2007, BC Hydro submitted its compliance filings on interruptible rates to IPPs serving Zone II customers for the period commencing July 1, 2007 and ending June 30, 2008 (Exhibit A2-3); and
- F. The public hearing commenced on July 9, 2007 in Vancouver; and

- G. By letter dated July 11, 2007, BC Hydro filed with the Commission a proposal 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 (Exhibit B-37); and
- H. By letters dated July 16, 2007, Heiltsuk filed two complaints with the Commission. One complaint was made pursuant to Commission Order No. G-30-02 and another complaint was made pursuant to Section 25 of the Act (respectively Exhibit C23-14 and Exhibit C23-15); and
- I. On July 17, 2007, the Commission Panel made the determination that the Application would be heard in three phases. Phase I would cover the issues in Items No. 1 to 5 of the Issues List; Phase II would cover issues in Items No. 6 and 7 of the Issues List; and Phase III would cover the BC Hydro Special Contract rates (T8: 1331-1333 and T10: 1646-1648). The Commission Panel's determinations were set out in Commission Order No. G-84-07 dated July 27, 2007 (Exhibit A-25) and Commission Order No. G-97-07 dated August 20, 2007 (Exhibit A-30); and
- J. Subject to the filing of certain outstanding information requests, the evidentiary phase of Phase I of the proceeding closed on July 19, 2007. The Panel Chair established a schedule for final argument which provided that BC Hydro file its Final Argument on August 3, 2007, Intervenor file their Arguments on August 17, 2007, and BC Hydro file its Reply Argument on August 24, 2007; and
- K. On September 19, 2007 the Commission issued interim Order No. G-111-07 regarding FACOS and Rate Schedules to ensure that the Rate Schedules resulting from its Decision can be in place by April 1, 2008; and
- L. The Commission Panel has reviewed the evidence and arguments submitted for this proceeding, and issues its Decision with respect to the Phase I issues.

**NOW THEREFORE** the Commission for the Reasons stated in the Decision issued concurrently with this Order, orders that:

- 1. The Commission interim orders that are the subject matter of Order No. G-111-07 are confirmed as final.
- 2. BC Hydro comply with all the directives of the Commission in the Decision, including those directives that are the subject matter of Order No. G-111-07.
- 3. BC Hydro's proposed changes to its Residential Rate Schedules identified in Section 4.1.4 of the Decision are approved.
- 4. BC Hydro's rebalancing proposal and the resultant proposed increase of one percent and a decrease of 5.2 percent to BC Hydro's Residential and Small General Service Rate Schedules, respectively are denied.
- 5. BC Hydro's application to amend Rate Schedules 1105, 1205, 1206 and 1207 to restrict transfer of service is approved. The application to otherwise amend Rate Schedules 1105, 1205, 1206 and 1207 is denied.

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6. BC Hydro's proposal to eliminate Rate Schedules 1222 and 1223 is approved.
7. BC Hydro's proposed changes in respect of the Basic Charge and minimum charge on the Small General Service rate is approved.
8. BC Hydro's proposal to create Rate Schedule 1402 is approved.
9. BC Hydro's proposal to increase the rates to its Irrigation customers is denied.
10. BC Hydro's proposal to eliminate Rate Schedules 1761 and 1770 is approved.
11. BC Hydro's proposed SET policy is not approved. The allocation methodology to be applied to the SET policy is 65 percent demand/35 percent customer based on 20 years using BC Hydro's nominal weighted average cost of capital of 8 percent. BC Hydro is to recalculate its allowance levels in Table 5-1 of the Decision and file the recalculated allowance levels within 60 days of this Order issued concurrently with the Decision.
12. BC Hydro's proposal to charge the customer the lower of the extension charge under its existing SET Policy and the above extension policy from April 1, 2008 until June 30, 2008, is approved.
13. BC Hydro's proposed Service Connection Charge Schedule is approved.
14. Subject to paragraphs 11, 12 and 13 of this Order, BC Hydro's proposed changes to the Terms and Conditions of its Electric Tariff identified in Section 5 of the Decision are approved.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 26<sup>th</sup> day of October 2007.

BY ORDER

*Original signed by:*

A.J. Pullman  
Panel Chair