

SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. V6Z 2N3 CANADA  
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-23-08**

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

**Application by British Columbia Transmission Corporation  
for Approval of Rates Effective April 1, 2008 and April 1, 2009**

**BEFORE:** L.A. O'Hara, Panel Chair  
and Commissioner February 25, 2008

**O R D E R**

**WHEREAS:**

- A. On February 20, 2008, British Columbia Transmission Corporation ("BCTC") filed an application for approval of its F2009 and F2010 Transmission Revenue Requirements (the "Application") pursuant to Sections 58 and 89 of the Utilities Commission Act (the "Act"). The Application seeks approval of permanent rates effective April 1, 2008 and April 1, 2009 and to amend on an interim basis the current rates effective April 1, 2008, to reflect the rates BCTC is seeking on a permanent basis as proposed in Table 11-9 of the Application; and
- B. The Application forecasts a revenue deficiency of \$51.4 million in F2009 and a further revenue deficiency of \$38.7 million in F2010, which result in the proposed revenue requirement increases of 9.9 percent and 6.8 percent for F2009 and F2010 respectively. The rates that BCTC seeks to have approved effective April 1, 2008 and April 1, 2009 are set out in Table 11-9 columns (d) and (e) respectively of the Application. The proposed rates are forecast to have an impact on British Columbia Hydro and Power Authority ("BC Hydro") rates of 1.7 percent in F2009 and an additional 1.2 percent in F2010. The impacts on BC Hydro rates from the proposed BCTC rate changes are already reflected in the BC Hydro F2009/F2010 revenue requirements application; and
- C. In the Application BCTC sets out that on the conclusion of the proceeding BCTC will implement permanent rates and make adjustments to prior billing, in accordance with the Commission's decision on the Application; and
- D. BCTC's Application also seeks approval of: (i) Substation Distribution Asset Management and Maintenance costs and Distribution Operations Services costs for F2009 and F2010; and (ii) continuation of the existing deferral accounts and approval of a new deferral account; and

- E. By Order No. C-4-06 the Commission ordered that the incentive/penalty mechanism described in Section 9 of its July 7, 2006 Vancouver Island Transmission Reinforcement (“VITR”) Decision, be applicable to the VITR Project. The Application includes evidence that the cost variances of the VITR Project have primarily been outside BCTC’s control, and BCTC therefore requests that it be granted relief from the effects of the mechanism; and
- F. By Order No. G-22-08, the Commission approved interim refundable rates effective April 1, 2008 as set out in Table 11-9 column (d) of the Application; and
- G. In order to efficiently address the Application the Commission requires that a regulatory timetable and a Procedural Conference be established.

**NOW THEREFORE** the Commission orders as follows:

1. A Procedural Conference will be held before the Commission Panel on Thursday, March 20, 2008, commencing at 9:00 a.m. in the Hearing Room, 12<sup>th</sup> Floor, 1125 Howe Street, Vancouver, B.C., to address procedural matters which will include, but not be limited to, the following:
  - identification of principal issues arising from or related to the Application;
  - process options for review of the Application, including,
    - oral public hearing
    - negotiated settlement process
    - written hearing
    - or, as appropriate, some combination of the above;
  - timetable (information requests, responses, intervenor evidence, etc.);
  - location(s) of the proceeding; and
  - other matters that will assist the Commission to efficiently review all aspects of the Application.

After the Procedural Conference, the Commission will issue a further procedural Order and Regulatory Timetable for the review of the Application.

2. By no later than March 3, 2008, BCTC will arrange for early publication, in display ad format, the Notice of Procedural Conference, attached as Appendix A to this Order, in the Vancouver Sun, The Province, the Victoria Times Colonist, and in such other appropriate local news publications so as to provide adequate notice to the customers in the service area of the utility.
3. A Regulatory Timetable is set out in Appendix B to this Order.

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4. The Application and supporting material will be made available for inspection at the Head Office of BCTC at Suite 1100, Four Bentall Centre, 1055 Dunsmuir Street, Vancouver, B.C., and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C.
5. Intervenor and Interested Parties should inform the Commission, in writing or register on-line via the Commission's website at <http://www.bcuc.com>, by Monday, March 10, 2008, of their intention to intervene and/or to attend the Procedural Conference.
6. Intervenor intending to apply for participant assistance must submit a budget estimate by March 28, 2008 consistent with the Commission's Participant Assistance/Cost Award Guidelines. Copies are available upon request or can be downloaded from the Commission's web site at <http://www.bcuc.com/bcuc/paca.html>.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 25<sup>th</sup> day of February 2008.

BY ORDER

*Original signed by:*

L.A. O'Hara  
Panel Chair and Commissioner

Attachments



SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. V6Z 2N3 CANADA  
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**APPENDIX A**  
to Order No. G-23-08  
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TELEPHONE: (604) 660-4700  
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**BRITISH COLUMBIA TRANSMISSION CORPORATION**  
**Application for Approval of F2009 and F2010 Revenue Requirements**

**NOTICE OF  
PROCEDURAL CONFERENCE**

**Date:** Thursday, March 20, 2008  
**Time:** 9:00 a.m.  
**Location:** Commission Hearing Room  
12<sup>th</sup> Floor, 1125 Howe Street  
Vancouver, B.C.

**THE APPLICATION**

British Columbia Transmission Corporation ("BCTC", "the Company") has applied to the British Columbia Utilities Commission (the "Commission") for certain Orders including an Order seeking approval of permanent rates effective April 1, 2008 and April 1, 2009 as proposed in Table 11-9 of the Application. The Application forecasts a revenue deficiency of \$51.4 million in F2009 (April 1, 2008 to March 31, 2009) and a further revenue deficiency of \$38.7 million in F2010. The proposed rates are forecast to have an impact on British Columbia Hydro and Power Authority rates of 1.7 percent in F2009 and an additional 1.2 percent in F2010.

By Order No. G-22-08 dated February 25, 2008, the Commission approved BCTC's requested F2009 interim rate changes as set out in Table 11-9 column (d) of the Application effective April 1, 2008. The difference between the F2009 interim rates and permanent rates that are determined by the Commission following consideration of the Application is subject to refund with interest calculated at BCTC's most recent annual weighted cost of debt as set out in the Commission Order that establishes permanent rates for BCTC.

**THE REGULATORY PROCESS**

The Commission Panel will hold a Procedural Conference on Thursday, March 20, 2008, commencing at 9:00 a.m. in the Hearing Room, to address procedural matters which will include, but not be limited to, the following:

- identification of principal issues arising from or related to the Application;
- process options for review of the Application, including,
  - oral public hearing
  - negotiated settlement process
  - written hearing
  - or, as appropriate, some combination of the above;
- timetable (information requests, responses, intervenor evidence, etc.);
- location(s) of the proceeding; and
- other matters that will assist the Commission to efficiently review all aspects of the Application.

Following the Procedural Conference, the Commission will issue a further procedural Order and Regulatory Timetable for the review of the Application.

## **PUBLIC INSPECTION OF THE DOCUMENTS**

The Application and supporting material will be made available for inspection at the Head Office of BCTC at Suite 1100, Four Bentall Centre, 1055 Dunsmuir Street, Vancouver, B.C., V7X 1V5, and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3.

## **INTERVENTIONS**

Persons who expect to actively participate in any process established by the Commission to review BCTC's Application should register as Intervenor with the Commission, in writing or register on-line via the Commission's website at <http://www.bcuc.com> by Monday, March 10, 2008. Intervenor will receive copies of the Application, all correspondence and filed documentation.

Persons not expecting to actively participate, but who have an interest in the BCTC proceeding should register as Interested Parties with the Commission, in writing or register on-line via the Commission's website at <http://www.bcuc.com> by Monday, March 10, 2008. Interested Parties will receive a copy of the Application's Executive Summary and all Orders issued.

## **PARTICIPATION AT THE PROCEDURAL CONFERENCE**

Intervenor and Interested Parties should also inform the Commission, by Monday, March 10, 2008, of their intention to attend the Procedural Conference.

## **FURTHER INFORMATION**

For further information, please contact Ms. Erica Hamilton, Commission Secretary as follows:

Telephone: (604) 660-4700  
Facsimile: (604) 660-1102

E-Mail: [Commission.Secretary@bcuc.com](mailto:Commission.Secretary@bcuc.com)  
Telephone: (B.C. Toll Free) 1-800-663-1385

**BRITISH COLUMBIA TRANSMISSION CORPORATION**  
**Application for Approval of F2009 and F2010 Revenue Requirements**  
**REGULATORY TIMETABLE**

<b>ACTION</b>	<b>DATES (2008)</b>
Notice of Procedural Conference published	Monday, March 3
Intervenor Registration	Monday, March 10
Commission Information Requests No. 1	Friday, March 14
Procedural Conference	Thursday, March 20
Budget Estimates for Participant Assistance submitted	Friday, March 28
BCTC Response to Commission Information Requests No. 1	Tuesday, April 1
Intervenor Information Request No. 1 (preliminary)	Friday, April 11
BCTC Response to Intervenor Information Request No. 1 (preliminary)	Friday, April 25