



LETTER NO. L-101-07

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VIA E-MAIL

December 14, 2007

TO: Registered Intervenor (BCH-07Rate-RI)

Re: British Columbia Hydro and Power Authority ("BC Hydro")
2007 Rate Design Application ("2007 RDA") – Phase I
Application by the British Columbia Old Age Pensioners *et al.*
for Reconsideration of the Decision of the

British Columbia Utilities Commission ("BCUC") dated October 26, 2007

On December 6, 2007, counsel for the British Columbia Old Age Pensioners' Organization *et al.* ("BCOAPO") filed an Application for Reconsideration (the "Application") of the two Commission Orders made in the October 26, 2007 Decision on the BC Hydro 2007 RDA Phase I. BCOAPO submits in its Application (attached) that the Commission erred in ordering BC Hydro to amend its rate schedules to move all customer classes to a revenue-to-cost ("R/C") ratio of 1:1, and that the Commission should therefore reconsider and reverse the orders contained in the Decision related to: (1) adjusting rates in equal percentage amounts over the next three years so as to achieve R/C ratios of unity for each class after adjustments to the FACOS; and (2) filing Rate Schedules for its residential class to be effective April 1, 2008, which will reflect the first phase of a three-year equal percentage phase-in to achieve the R/C ratios of 1:1 based on the revised FACOS.

As described in the Commission's Participant Guidelines, an application for reconsideration proceeds in two phases. With respect to the BCOAPO Application, a Phase I process is established to consider whether the reconsideration application has established a *prima facie* case to warrant full consideration. BC Hydro and other Participants are invited to provide comments to the Commission that address the following specific questions:

- Should there be a reconsideration by the Commission?
- If there is to be a reconsideration, should the Commission hear new evidence and should new parties be given the opportunity to present evidence?
- If there is to be a reconsideration, should it focus on the items from the application for reconsideration, a subset of these items or additional items?
- Are there any other pertinent facts or issues regarding BCOAPO's Application that the Commission reconsider the Decision and vary it accordingly?

Participants' comments should address whether the threshold for reconsideration has been met, rather than the substance of the issue. For a reconsideration hearing to proceed, the application for reconsideration is required to meet the following criteria:

1. The claim of error appears to be substantiated on a *prima facie* basis; and
2. The error has significant material implications.

If the Commission agrees to reconsider its Decision, the parties will be allowed to address the substance of the issues that the Commission approves for reconsideration.

A copy of the Reconsideration and Appeals section of the Commission's Participant's Guide, which identifies the criteria that the Commission generally applies to determine whether a reasonable basis exists for allowing a reconsideration, is attached. Participant's comments are to be provided to the Commission and copied to BCOAPO and other Participants by Friday, December 21, 2007. BCOAPO may respond to Participant comments by Monday, January 7, 2008.

Yours truly,

Original signed by:

Erica M. Hamilton

EC/df

Attachments

cc: Mr. Jim Quail/Ms. Leigha Worth
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Ms. Joanna Sofield
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