



**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 June 6, 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 upon conclusion of the proceeding BCTC will implement permanent rates and make adjustments to prior billings, 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

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-89-08**

2

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. By Order No. G-23-08, the Commission scheduled a Procedural Conference for March 20, 2008 to address procedural matters related to the Application. At the Procedural Conference, the British Columbia Old Age Pensioners' Organization et al. ("BCOAPO") made a motion that in view of the number of BC Hydro proceedings currently before the Commission this Procedural Conference be adjourned for a period of three months or longer (the "BCOAPO Motion") (T1:5-8).. The Commission Panel considered the BCOAPO Motion, found that although it had significant merit the submissions by BCTC and other Intervenors were more persuasive and, accordingly decided that the Procedural Conference would proceed as planned (T1:15); and
- H. At the Procedural Conference, BCTC and the Intervenors supported a negotiated settlement review process ("NSP") for the review of the Application with the JIESC proposing a Pre-hearing Conference and BCOAPO proposing a second Procedural Conference in the event the NSP is not successful in resolving all of the issues; and
- I. By Order No. G-54-08, the Commission established a regulatory timetable for an NSP commencing May 14, 2008 and a second Procedural Conference on Wednesday, June 11, 2008. The settlement discussions concluded on May 15, 2008; and
- J. In a letter dated May 28, 2008, the Commission requested that Participants at the NSP provide comments regarding whether the June 11, 2008 Procedural Conference should be cancelled. The Participants agreed that June 11, 2008 Procedural Conference should be cancelled; and
- K. The Commission has reviewed the submissions and considers that the June 11, 2008 Procedural Conference should be cancelled.

NOW THEREFORE the second Procedural Conference scheduled for 9:00 a.m., Wednesday, June 11, 2008 in the Commission Hearing Room, 12th Floor, 1125 Howe Street, Vancouver, B.C., established by Order No. G-54-08 is cancelled.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of June 2008.

BY ORDER

Original signed by:

L.A. O'Hara
Panel Chair and Commissioner