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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-157-10

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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
for Review of its F2011 Revenue Requirement Application

BEFORE: D.A. Cote, Commissioner/Panel Chair
M.R. Harle, Commissioner
L.A. O'Hara, Commissioner
October 21, 2010

O R D E R

WHEREAS:

- A. British Columbia Hydro and Power Authority (BC Hydro) filed on March 3, 2010 with the British Columbia Utilities Commission (Commission), pursuant to sections 44.2 and 58 to 61 of the *Utilities Commission Act* (the Act), its F2011 Revenue Requirements Application (the F11 RRA, or Application) for, among other things, final approval of an across-the-board rate increase of 6.11 percent, effective April 1, 2010, and final approval to increase the Deferral Account Rate Rider from 1.0 percent to 4.0 percent, effective April 1, 2010. For the residential inclining block Rate Schedules 1101 and 1121, BC Hydro is proposing to apply the 6.11 percent increase equally to the Basic charge and Step 1 and Step 2 energy charges;
- B. The Application also sought refundable interim relief, pursuant to sections 58 to 61, 89 and 90 of the Act and section 15 of the *Administrative Tribunals Act*, to allow BC Hydro to increase its rates by 6.11 percent on an across-the-board basis, and to increase its Deferral Account Rate Rider from 1.0 percent to 4.0 percent, both effective April 1, 2010, pending the hearing into the F11 RRA and orders subsequent to that hearing, on the basis that on April 1, 2010 BC Hydro's current rates would otherwise no longer be fair, just and not unduly discriminatory;
- C. On March 15, 2010, Commission Order G-47-10 approved BC Hydro's request for interim rates subject to refund with interest at BC Hydro's weighted average cost of debt for its most recent fiscal year. That Order also established an Initial Regulatory Timetable and scheduled a Procedural Conference that was held on May 28, 2010;
- D. Commission Order G-99-10 amended the Regulatory Timetable and included a Default Schedule with potential dates for further process (attached as Appendix A to that Order). The Amended Regulatory Timetable also scheduled a second Procedural Conference that was held on August 20, 2010;
- E. At the second Procedural Conference, BC Hydro proposed that the Regulatory Timetable provide for a Negotiated Settlement Process (NSP) to begin on September 22, 2010 and an Oral Hearing to begin on December 13, 2010, if necessary. BC Hydro also submitted that if NSP does not result in a settlement agreement, or alternatively results in a settlement of only part of the Application, then a third Procedural Conference could be held to hear from all parties about further process to resolve the Application;

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- F. Commission Order G-136-10 established a Further Amended Regulatory Timetable providing for a third Procedural Conference, in the event the NSP was unsuccessful;
- G. In a letter dated October 13, 2010, BC Hydro advised the Commission that the NSP had failed and stated that it had no objection to the third Procedural Conference proceeding, but that in the absence of Intervener motions or Commission Panel questions, it did not believe the conference was necessary;
- H. By letter dated October 13, 2010, the Commercial Energy Consumers Association of British Columbia (CEC), in part, proposed a one week delay in the dates provided for the Default Schedule beginning with the filing date for Intervener Evidence;
- I. On October 13, 2010, the Commission received submissions from certain Interveners in response to the BC Hydro and CEC letters;
- J. By Letter L-86-10 dated October 13, 2010, the Commission Panel cancelled the Procedural Conference scheduled for October 14, 2010 and requested that any party opposed to the change to the Timetable as proposed by CEC and/or the change in the commencement date of the Oral Hearing to December 7, 2010, advise the Commission in writing of its position and reasons no later than Monday, October 18, 2010;
- K. The Commission received no submissions opposing the proposed change to the dates for the processes leading to the Oral Hearing. In a letter dated October 15, 2010, the Canadian Office and Professional Employees Union Local 378 (COPE 378) advised the Commission that it opposed the change to the commencement date of the Oral Hearing and respectfully requested that it remain December 13, 2010 as presently scheduled;
- L. The Commission has considered the Submissions and concludes that a Revised Regulatory Timetable providing for the CEC proposal to change the Further Amended Regulatory Timetable is required as set forth in Appendix A attached to this Order.

NOW THEREFORE as set out in the Reasons for Decision attached as Appendix B to this Order, the Commission orders that the Further Amended Regulatory Timetable is amended and the Revised Regulatory Timetable attached as Appendix A to this Order, is approved.

DATED at the City of Vancouver, in the Province of British Columbia, this 21st day of October 2010.

BY ORDER

Original signed by:

Dennis A. Cote
Commissioner/Panel Chair

Attachments

REVISED REGULATORY TIMETABLE

ACTION	DATE (2010)
Intervener Evidence	Friday, October 29
Commission and BC Hydro Information Request No. 1 on F11 RRA Intervener Evidence	Friday, November 5
Intervener Response to Information Request No. 1 on F11 RRA Intervener Evidence	Monday, November 22
BC Hydro Rebuttal Evidence	Monday, November 29
Oral Hearing	Monday, December 13

ORAL HEARING

DATE:	Monday, December 13, 2010
TIME:	9:00 a.m.
LOCATION:	Commission Hearing Room Twelfth Floor, 1125 Howe Street Vancouver, BC

British Columbia Hydro and Power Authority
F2011 Revenue Requirements

Proposed Changes to Further Amended Regulatory Timetable

REASONS FOR DECISION

1.0 BACKGROUND

On August 23, 2010, the Commission Panel set out in Appendix A to Order G-136-10 the Further Amended Regulatory Timetable to review the British Columbia Hydro and Power Authority (BC Hydro) F2011 Revenue Requirements Application. Among other processes, the Timetable provided for a Negotiated Settlement Process (NSP) to commence on Wednesday, September 22, 2010 and scheduled a third Procedural Conference for Thursday, October 14, 2010 to deal with matters in the event there was no agreement reached among the parties at the conclusion of the NSP.

The NSP commenced on September 22, 2010. BC Hydro, by letter dated October 13, 2010, advised the Commission that the NSP had failed. Within the letter BC Hydro also stated that while having no objection to a third Procedural Conference, in the absence of Intervener motions or Commission Panel questions, it did not believe the Conference to be necessary (Exhibit B-14). Subsequent to BC Hydro's letter the Commission received submissions from the Commercial Energy Consumers Association of British Columbia (CEC), Canadian Office and Professional Employees Union Local 378 (COPE 378), B.C. Sustainable Energy Association and the Sierra Club of British Columbia (BCSEA), the Joint Industry Electricity Steering Committee (JIESC) and the Line Contractors Association of BC (LCA) in support of cancelling the third Procedural Conference. On October 13, 2010 the Commission, by Letter L-86-10, cancelled the Procedural Conference scheduled for October 14, 2010.

The CEC submission, in addition to providing support for cancelling the Procedural Conference, also proposed that there be a one week delay in the dates listed in the Further Amended Regulatory Timetable for filing Intervener Evidence, the subsequent filing of information requests and responses to Intervener Evidence and BC Hydro Rebuttal Evidence.

Also, in Letter L-86-10 the Commission outlined its understanding that Commission Counsel had canvassed the issue of advancing the date of the Oral Hearing to December 7, 2010 and that consent of the following parties had been received: BC Hydro, CEC, BCSEA, COPE 378, British Columbia Old Age Pensioners' Organization et al., Independent Power Producers Association of B.C. and the LCA. Subsequently, by letter of October 14, 2010, the Commission noted its error in stating that Commission Counsel had received the consent of COPE 378 as no such consent had been obtained (Exhibit A-15A).

Finally, by Letter L-86-10 the Commission requested that if any party opposed the change in dates as proposed by the CEC or the change in the commencement date for the Oral Hearing that it advise the Commission in writing of its position and reasons no later than Monday, October 18, 2010.

2.0 SUBMISSIONS

With respect to the CEC's proposal to add one week to the regulatory calendar for the processes leading to the Oral Hearing there were no submissions that raised any opposition to this change.

With respect to advancing the date of commencement of the Oral Hearing to December 7, 2010, by letter dated October 15, 2010, counsel for COPE 378 advised that COPE 378 opposed the change in the date of the Oral Hearing to December 7, 2010. Counsel advised that he would be out of the country until December 11 and that plans had been made relying upon the Further Amended Regulatory Timetable. He also advised that his attempts to date to find someone else from his office to replace him at the Oral Hearing had proved unsuccessful due to their other commitments. Further, he advised that the proposed new dates for the Oral Hearing do not work for representatives of COPE 378 who wished to attend and participate in the Hearing. He submits that without representation at the Oral Hearing, COPE 378's participation in the process will be materially prejudiced.

3.0 COMMISSION DETERMINATION

Since none of the parties oppose the proposal of CEC with respect to changes to the Further Amended Regulatory Timetable the Commission Panel accepts the proposal. These changes encompassing the period leading up to the Oral Hearing are reflected in the "Revised Regulatory Timetable" which is appended as Appendix A to Order G-157-10 issued concurrently with these Reasons.

With regard to COPE 378's concern with the advancement of the date of the commencement of the Oral Hearing to December 7, 2010, the Commission Panel would like to point out that the dates, which were set in the Further Amended Regulatory Timetable, presented a Default Schedule in the event of a potential failure of an NSP. As emphasized in the Reasons for Decision appended to Order G-136-10 they were to be considered a placeholder only. However, the Commission Panel views COPE 378 as an important stakeholder and one that can be expected to add value to the process. **Accordingly, the Panel will not vary the December 13, 2010 commencement date outlined in the Further Amended Regulatory Timetable.**