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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-108-10

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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 Transmission Corporation
Fiscal 2011 Transmission Revenue Requirement and Rate Changes

BEFORE: L.F. Kelsey, Commissioner
D.A. Cote, Commissioner
L. O'Hara, Commissioner

June 18, 2010

O R D E R

WHEREAS:

- A. On March 4, 2010, the British Columbia Transmission Corporation (BCTC) filed an application (the Application) to the British Columbia Utilities Commission (the Commission), pursuant to sections 59 to 61 of the *Utilities Commission Act* (the Act), for approval of permanent rates for Fiscal 2011 (F2011), effective April 1, 2010; and
- B. Pursuant to section 89 of the Act, BCTC applied to the Commission to have its rates amended effective April 1, 2010 on an interim basis; and
- C. BCTC stated that it is not necessary to change existing rates in respect to BCTC Revenue Requirement and Asset Management and Maintenance Revenue Requirement; and
- D. The Application consisted of five parts: F2011 BC Hydro Owner Revenue Requirement, Capital Plant In-Service Portfolio, F2011 Allowed Return on Deemed Equity, F2011 Point-to-Point Transmission Service Revenue Forecast, Overall Transmission Revenue Requirement, and Impact on Rates calculation; and
- E. On April 1, 2010, Order G-53-10A established the regulatory timetable and a written review process. That Order also approved the requested interim rate changes, effective April 1, 2010; and
- F. Pursuant to Order G-53-10A, the Commission and Registered Interveners issued one round of information requests to which BCTC responded to on May 13, 2010; and
- G. By letter dated May 17, 2010, BCTC requested an extension to respond to information requests by the Commercial Energy Consumers Association of British Columbia (CEC) and proposed an adjustment to the remaining regulatory timetable; and
- H. On May 20, 2010, Commission Order G-83-10 granted the requested one week extension for BCTC to respond to CEC's information requests and suspended the remainder of the regulatory timetable; and

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- I. The Commission has reviewed BCTC's information responses and finds a need to further examine the cost variances in BCTC's capital projects with in-service dates between F2008-F2010.

NOW THEREFORE the Commission orders as follows:

1. BCTC is to provide additional information and explanations regarding the variances between the Commission approved and the actual completed or substantially completed cost in the following growth capital projects by June 30, 2010:
 - #14 - Athalmer 69 kV Bus Tie
 - #33 - Grief Point Substation Upgrade
 - #34 - Hope-25 kV Conversion
 - #48 - Cathedral Square – 230/12 kV Transformer
 - #53 - Qualicum Substation – Reconfiguration
 - #56 - RAS – Vancouver Island
2. BCTC is required to reduce the F2011 Transmission Revenue Requirement by an amount equal to the revenue requirement impact of the difference between the total actual costs incurred on the projects and the cost estimates approved by the Commission for the six projects identified above. This portion of the cost differences is to be placed in an interest bearing deferral account, with interest calculated at BCTC's short-term borrowing rate. Following the Commission's assessment of the additional information requested in Directive #1 above, a determination will be issued.
3. All other parts of the Application are acceptable to the Commission and final submissions on the adjusted Transmission Revenue Requirement may proceed.
4. The suspension of the regulatory timetable is removed and BCTC is to include the adjusted Transmission Revenue Requirement calculation in its final submission according to the revised Regulatory Timetable, attached as Appendix A.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of June 2010.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachment

BRITISH COLUMBIA TRANSMISSION CORPORATION
Application for Fiscal 2011 Transmission Revenue Requirement and Rate Changes

AMENDED REGULATORY TIMETABLE

ACTION	DATE 2010
BCTC additional information submission on six capital projects	Wednesday, June 30
BCTC Written Final Submission	Friday, July 2
Intervener Written Final Submission	Friday, July 9
BCTC Written Reply Submission	Friday, July 16