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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-80-10

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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
to Cancel Tariff Supplement No. 47 and
Disposition of Related Funds in Connection with Service to Meziadin Lake

BEFORE: L.F. Kelsey, Commissioner

April 29, 2010

O R D E R

WHEREAS:

- A. On June 11, 1999, the British Columbia Utilities Commission (Commission) issued Order G-61-99 which approved an application by British Columbia Hydro and Power Authority (BC Hydro) to extend service to Meziadin Lake and to collect the required customer contribution by way of a surcharge over the existing Electric Tariff rates; and
- B. In accordance with Commission Order G-50-01 and Reasons for Decision, BC Hydro filed Tariff Supplement No. 47 (TS 47) on June 28, 2001, which consisted of a surcharge of 14.6 cents/kWh, computed with an interest rate of 6 percent, to be applied to all customers taking service at the Meziadin Lake extension. The terms of TS 47 had an expiration date of January 12, 2010; and
- C. On March 31, 2010, BC Hydro applied to the Commission under section 61 of the *Utilities Commission Act* seeking approval to cancel TS 47 and to dispose of the stranded costs in connection with service to the community of Meziadin Lake; and
- D. BC Hydro states that billing of the surcharge terminated on January 12, 2010, in accordance with the terms of TS 47 and no further recovery of the remaining balance is planned for the community of Meziadin Lake. Due to a substantial reduction in the customer load forecast to actual and billed consumption, payments received from customers over the 10-year period of the surcharge only recovered a small portion of the principal amount of the load; and
- E. BC Hydro states that the amount of \$176,534 in unpaid interest was written-off in F2010 and proposes that the uncollected principle loan amount of \$873,262 be transferred to Assets in Service for recovery by all ratepayers. BC Hydro states that the increase in net assets will result in an increase in the depreciation expense of less than \$25,000 annually, which translates to less than a 0.01 percent rate increase; and
- F. The Commission has reviewed the related archived documents and BC Hydro's proposal for cancellation of TS 47 and the disposition of related funds.

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2

NOW THEREFORE the Commission orders as follows:

1. BC Hydro's proposal to cancel TS 47, effective January 12, 2010, is approved.
2. BC Hydro's proposal to transfer the amount of \$873,262 to its Assets in Service account is approved. BC Hydro is to forgive the community of Meziadin Lake the burden of any further loan repayments.

DATED at the City of Vancouver, in the Province of British Columbia, this 29th day of April 2010.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner