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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-206-11

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

British Columbia Hydro and Power Authority
F2012 to F2014 Revenue Requirements Application

BEFORE: L.A. O'Hara, Panel Chair/Commissioner
D. Morton, Commissioner December 7, 2011
A.A. Rhodes, Commissioner

O R D E R

WHEREAS:

- A. On March 1, 2011, British Columbia Hydro and Power Authority (BC Hydro) filed its F2012 to F2014 Revenue Requirements Application (the Application or F2012 to F2014 RRA) with the British Columbia Utilities Commission (Commission) pursuant to sections 56 and 58 to 61 of the *Utilities Commission Act* (the Act) seeking, among other things, the determination of just, reasonable and sufficient rates for its fiscal years 2012, 2013 and 2014 (F2012, F2013 and F2014);
- B. BC Hydro also sought an order, on an interim and refundable basis, pending determination of the Application to:
 - (i) increase rates by an average of 9.73 percent, (ii) retain the Deferral Account Rate Rider (DARR) at 2.5 percent, and
 - (iii) increase the Open Access Transmission Tariff (OATT) pursuant to sections 58 to 61, 89 and 90 of the Act and section 15 of the *Administrative Tribunals Act*;
- C. By Order G-40-11 dated March 8, 2011, the Commission established an Initial Regulatory Timetable for the Application;
- D. By Order G-41-11 dated March 14, 2011, the Commission approved the interim relief as requested;
- E. At a Procedural Conference on March 25, 2011, BC Hydro sought an adjournment of the proceeding and an extension of the Initial Regulatory Timetable;
- F. By Order G-61-11 dated March 28, 2011, the Commission adjourned the Procedural Conference to April 8, 2011, amended the Initial Regulatory Timetable and, among other things, suspended Order G-41-11;
- G. By Letter L-25-11 dated March 31, 2011, the Commission further amended the Initial Regulatory Timetable and, among other things, rescheduled the Procedural Conference previously scheduled for April 8, 2011 to April 20, 2011;
- H. On April 7, 2011, the Premier and the Minister of Energy and Mines on behalf of the Province of British Columbia, as the sole shareholder of BC Hydro, announced that the Provincial Government would conduct a review of BC Hydro (Provincial Government Review) in order to provide recommendations and options for minimizing the rate increase;

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- I. By letter dated April 8, 2011, BC Hydro filed a submission including, among other things, clarification in respect of the Provincial Government review, BC Hydro's position on the process going forward, and a request to establish an average interim rate increase of 8.23 percent, effective May 1, 2011, to be applied to each element of BC Hydro's tariff;
- J. Following a Procedural Conference on April 20, 2011, the Commission issued Order G-72-11 on April 21, 2011 directing, among other things, an across-the-board rate increase of 8.0 percent effective May 1, 2011, on an interim and refundable basis pending the receipt of additional information following the determination of this Application and suspended the Amended Regulatory Timetable established by Letter L-25-11 subject to further Order;
- K. The Provincial Government Review was made public on August 11, 2011;
- L. By letter dated September 27, 2011, BC Hydro filed a submission addressing: (i) BC Hydro's plan to reduce the F2012 to F2014 revenue deficiency by \$800 million; (ii) the proposed form and content of the Amended F2012 to F2014 RRA; (iii) a proposed Initial Regulatory Timetable; and (iv) an extension request for the filing of the expenditures BC Hydro plans to make on demand-side measures (DSM) during F2012 and F2013 (F12/F13 DSM Expenditure Application) to coincide with the filing of the F2012 to F2014 RRA;
- M. By Order G-173-11 dated October 13, 2011 the Commission, among other things, established a Revised Initial Regulatory Timetable which included a Procedural Conference to take place on December 6, 2011 and directed BC Hydro to file the DSM Expenditure Application for consideration as part of the Amended F2012 to 2014 RRA and not as a standalone Application;
- N. On November 24, 2011, BC Hydro filed with the Commission its amendments to the Application (Amended F2012 to F2014 RRA), which included, among other things, the following amendments to the relief sought in the original Application:
 - (i) final approval to increase rates by an average of 8.0 percent effective May 1, 2011; 3.91 percent effective April 1, 2012; and 3.91 percent effective April 1, 2013, subject only to the Commission's future review of an expenditure schedule regarding the expenditures on DSM that BC Hydro anticipates making during F2014;
 - (ii) final approval to set OATT rates effective May 1, 2011 and April 1, 2012 as set out in Amended Appendix X and a final determination that OATT rates are to be set effective April 1, 2013, subject only to the Commission's future review of an expenditure schedule regarding the expenditures on DSM that BC Hydro anticipates making during F2014;
 - (iii) final approval to set the DARR at 2.5 percent effective April 1, 2011 and for the DARR to remain at 2.5 percent until the Commission orders a change to the DARR, no earlier than April 1, 2014;
- O. On November 30, 2011, the Commission issued an agenda for the Procedural Conference scheduled for December 6, 2011 (Exhibit A-17);
- P. On December 6, 2011, the Procedural Conference took place and the Applicant and Interveners made submissions on the issues listed in Exhibit A-17; and

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Q. The Commission considers establishing a Regulatory Timetable is necessary and in the public interest.

NOW THEREFORE the Commission orders that:

1. British Columbia Hydro and Power Authority's Amended F2012 to F2014 RRA will be reviewed by way of an Oral Public Hearing to take place commencing at 9:00 a.m. on Monday, June 18, 2012 at the Commission's Hearing Room, 1125 Howe Street, Twelfth Floor, Vancouver, BC.
2. The Regulatory Timetable for the Amended F2012 to F2014 RRA is as set out in Appendix A to this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this *Seventh* day of December 2011.

BY ORDER

Original signed by:

L.A. O'Hara
Panel Chair/Commissioner

Attachment

British Columbia Hydro and Power Authority
Amended F2012 to F2014 Revenue Requirements Application

REGULATORY TIMETABLE

ACTION	DATE
Filing of Participant Assistance/Cost Award Budgets	Tuesday, December 13, 2011
Commission and Intervener Information Request No. 1	Friday, December 23, 2011
BC Hydro Information Request No. 1 Responses	Tuesday, January 31, 2012
Commission and Intervener Information Request No. 2	Tuesday, February 28, 2012
BC Hydro Information Request No. 2 Responses	Tuesday, March 27, 2012
Intervener Evidence	Tuesday, April 10, 2012
Commission and Participants Information Request No. 1 on Intervener Evidence	Tuesday, April 24, 2012
Intervener Evidence Information Request No. 1 Responses	Tuesday, May 8, 2012
BC Hydro Rebuttal Evidence	Tuesday, May 15, 2012
Procedural Conference No. 4 (if necessary)	Friday, May 18, 2012
Commencement of Negotiated Settlement Process (if any) (anticipated duration: up to one week)	Monday, May 28, 2012
Commencement of Oral Public Hearing (anticipated duration: two to three weeks)	Monday, June 18, 2012