



**LETTER L-43-11**

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**VIA EMAIL**

May 24, 2011

To: British Columbia Hydro and Power Authority  
Registered Interveners/Interested Parties (2007 RDA/2009 LGS Rate)

Dear Sirs/Mesdames:

Re: Commission Order G-10-08 (2007 Rate Design Application) and  
Order G-110-10 (Large General Service Rate Application)  
British Columbia Hydro and Power Authority Compliance Filing  
Large General Service Rate Negotiated Settlement - "Class Revenue Neutrality"

On June 29, 2010, by Order G-110-10, the British Columbia Utilities Commission (Commission) approved a Negotiated Settlement Agreement (NSA) for British Columbia Hydro and Power Authority's (BC Hydro) Large General Service Rate Application. As part of that approval, the Commission asked BC Hydro to "demonstrate its compliance with section 58.1(6)" of the *Utilities Commission Act* and to "clarify its position on overall class revenue neutrality" in its annual Cost of Service filing.

Following its receipt of BC Hydro's F2010 Fully Allocated Cost of Service report and subsequent comments on the applicability of section 58.1(6) and class revenue neutrality to the Large General Service Negotiated Settlement Agreement, by letter dated March 24, 2011, the Commission invited the participants in the 2007 Rate Design Application and the 2009 Large General Service Negotiated Settlement to provide additional submissions on those issues.

Submissions were received from BC Hydro, the Association of Major Power Customers of British Columbia and the British Columbia Public Interest Advocacy Centre/British Columbia Old Age Pensioners' Organization *et al.* No party took the position that section 58.1(6) prevented the Commission from approving the Negotiated Settlement Agreement.

The Commission is satisfied that section 58.1(6) does not apply to prevent it from approving the Negotiated Settlement of the 2009 Large General Service Rate Application and no further process is required.

Yours truly,

Alanna Gillis

AG/cms