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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-140-12

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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 Approval to Place Vancouver Island Health Authority on Interim and Refundable Rates**

BEFORE: L.F. Kelsey, Commissioner
N.E. MacMurchy, Commissioner October 4, 2012
B.A. Magnan, Commissioner
D.M. Morton, Commissioner

O R D E R

WHEREAS:

- A. By Order G-110-10 dated June 29, 2010, the British Columbia Utilities Commission (Commission) approved the Negotiated Settlement Agreement (NSA) that concluded the regulatory review of British Columbia Hydro and Power Authority's (BC Hydro) application regarding its Large General Service (LGS) rate;
- B. Clause 13 of the LGS NSA allows for customers who anticipate significant, permanent increases in energy consumption, as defined in Clause 13, to apply for an increase in their Historical Baseline (HBL) on a prospective basis;
- C. By Order G-22-12 dated February 28, 2012, the Commission approved Tariff Supplement No. 82 and the consequent amendments to Rate Schedule 16xx. Tariff Supplement No. 82 contains rules regarding customer applications under Clause 13 of the LGS NSA;
- D. Tariff Supplement No. 82, Clause 3.4 outlines the conditions that must be met in order to permit a demand side management (DSM) adjustment to the Qualifying Threshold for prospective HBL adjustments. Specifically, Subsection 3.4(V) requires that a DSM project must in its normal course be subject to BC Hydro's Measurement and Verification processes to be an eligible DSM adjustment;
- E. On May 23, 2012, Vancouver Island Health Authority (VIHA) applied to BC Hydro for a prospective growth adjustment to its HBL, pursuant to Tariff Supplement No. 82 (the VIHA Application). The VIHA Application includes a Commercial New Construction (CNC) DSM adjustment to the Qualifying Threshold;

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- F. CNC projects are not subject to BC Hydro's Measurement and Verification Processes, but are instead subject to a pre-investment review by BC Hydro;
- G. By letter dated August 28, 2012, BC Hydro applied to the Commission for approval to place VIHA on interim and refundable rates effective September 1, 2012 (the Application). The Application seeks approval pending the outcome of BC Hydro's future application for approval of amendments to Tariff Supplement No. 82, including an amendment to Subsection 3.4 (V) to include CNC projects;
- H. The Commission has reviewed the Application and considers that approval is warranted.

NOW THEREFORE the Commission orders as follows:

1. BC Hydro's LGS rate, as it is applicable solely to VIHA, is interim and refundable effective September 1, 2012.
2. BC Hydro is directed to file with the Commission an application for approval of amendments to Tariff Supplement No. 82 within 30 days of this Order.
3. BC Hydro will provide a refund to VIHA, if required, when the Commission has issued its order on the future application for approval of amendments to Tariff Supplement No. 82. The refund should be made in accordance with Clause 5.8 (6) of BC Hydro's Electric Tariff, with interest paid at a rate equal to BC Hydro's weighted average cost of debt, calculated for BC Hydro's most recent fiscal year.

DATED at the City of Vancouver, in the Province of British Columbia, this 4th of October 2012.

BY ORDER

Original signed by:

D.M. Morton
Commissioner