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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER R-1-14**

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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
Request for Extension for Reviewing and Providing a Report Assessing
Certain Reliability Standards in
Mandatory Reliability Standards Assessment Report No. 7**

BEFORE: L.F. Kelsey, Commissioner
N.E. MacMurchy, Commissioner January 16, 2014
D.M. Morton, Commissioner
R.D. Revel, Commissioner
C. van Wermeskerken, Commissioner

O R D E R

WHEREAS:

- A. Pursuant to section 125.2(2) of the *Utilities Commission Act* (the Act) the British Columbia Utilities Commission (Commission) has exclusive jurisdiction to determine whether a “reliability standard”, as defined in the Act, is in the public interest and should be adopted in British Columbia;
- B. In order to facilitate the Commission’s consideration of reliability standards, British Columbia Hydro and Power Authority (BC Hydro) is required under section 125.2(3) of the Act to review each reliability standard and provide the Commission with a report assessing:
 - (a) any adverse impact of the reliability standard on the reliability of electricity transmission in British Columbia if the reliability standard were adopted;
 - (b) the suitability of the reliability standard for British Columbia;
 - (c) the potential cost of the reliability standard if it were adopted; and
 - (d) any other matter prescribed by regulation or identified by order of the Commission;
- C. Section 3(1)(a) of the Mandatory Reliability Standards Regulation, BC Reg. 32/2009, M039 (MRS Regulation) requires BC Hydro to report on a reliability standard, in accordance with section 125.2(3) of the Act, within

one year of the date the reliability standard is adopted by the regulatory body with jurisdiction over the standard-making body that established the reliability standard. The regulatory body with jurisdiction over the standard-making body that established the reliability standards is the Federal Energy Regulatory Commission (FERC). In addition, section 3(2) states that on application by the transmission corporation (now the authority), the Commission may extend the time by which the authority must provide a report under subsection (1);

- D. On May 24, 2013, BC Hydro submitted Mandatory Reliability Standards (MRS) Assessment Report No. 6 to the Commission;
- E. On July 25, 2013, the Commission posted MRS Assessment Report No. 6 on its website and established the Regulatory Timetable for the review process by Order R-30-13. Order R-30-13 also directed BC Hydro to file an Addendum to MRS Assessment Report No. 6 by September 30, 2013. BC Hydro filed the Addendum as directed. On November 12, 2013, the Commission issued Information Request No. 1 (IR No. 1). BC Hydro responded to Commission IR No. 1 on November 27, 2013;
- F. BC Hydro's approach for assessing standards, both new and revised, has been to assess those standards that are adopted by the FERC and become enforceable in the U.S. within BC Hydro's annual assessment period of December 1 to November 30;
- G. The Commission issued Order R-41-13 on December 12, 2013. Directive 10 of Order R-41-13 ordered that "BC Hydro must provide a report on reliability standards, in accordance with the Act, within one year of the date the reliability standards are adopted by FERC. In assessing standards, BC Hydro should recommend appropriate BC effective dates to allow entities to come into compliance with the reliability standards within a reasonable time period";
- H. In a letter dated December 20, 2013 (Extension Request), BC Hydro requested, among other things, an extension under section 3(2) of the MRS Regulation in light of Directive 10 of Commission Order R-41-13;
- I. BC Hydro indicates: "As a result, to accommodate the current assessment process and to ensure compliance with the *MRS Regulation*, BC Hydro requests an extension to allow certain MRS to be included in MRS Assessment Report No. 7 and to be assessed over a period of greater than a year." To allow sufficient time to address the impacts of the Order and complete the assessment for MRS Assessment Report No. 7, BC Hydro specifically requests "an extension to allow it to provide its assessment for all MRS adopted by FERC prior to April 30, 2013, which by definition will be later than one year following the date of adoption by FERC. BC Hydro has estimated a filing date for MRS Assessment Report No. 7 of April 30, 2014 which is the driver behind the requested extension date. BC Hydro will continue to work diligently to complete MRS Assessment Report No. 7 as soon as possible in 2014 but does not believe that a date prior to April 30, 2014 is realistic in light of BC Hydro's interpretation of the substantive shift in the process arising from Directive 10.";

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J. The Commission considered BC Hydro's Extension Request and believes an extension is warranted.

NOW THEREFORE pursuant to section 3(2) of the Mandatory Reliability Standards Regulation, BC Reg. 32/2009, M039, and section 125.2(4) of the *Utilities Commission Act*, the Commission orders as follows:

1. The request to extend the time by which the British Columbia Hydro and Power Authority is to provide a report to the Commission on certain reliability standards adopted by FERC prior to April 30, 2013 is approved as outlined in the December 20, 2013 Extension Request.
2. The British Columbia Hydro and Power Authority must file MRS Assessment Report No. 7, with the Commission, or provide a firm filing date for MRS Assessment Report No. 7 by May 1, 2014.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of January, 2014.

BY ORDER

Original Signed By:

D.M. Morton
Commissioner