



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-94-99

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

and

West Kootenay Power Ltd.
Preliminary 2000-2002 Revenue Requirements and Incentive Mechanism Review

BEFORE: P. Ostergaard, Chair)
K.L. Hall, Commissioner) September 9, 1999

O R D E R

WHEREAS:

- A. Commission Order No. G-123-98 approved the December 15, 1998 Settlement Agreement extending the rate adjustment mechanism ("the Incentive Mechanism") approved by Commission Order No. G-73-96 for the year ending December 31, 1999. Under this mechanism, West Kootenay Power Ltd. ("WKP") is required to file annually with the Commission materials for a rate increase effective January 1 of the next year; and
- B. The terms of the Settlement Agreement require that WKP file, by October 1999, a multi-year proposal to commence January 2000. The Application may propose a continuation of existing ratemaking methods but all parties reserve their right to argue in favour of proposed targets, performance based regulation methods or traditional rate regulation.
- C. The terms of the Settlement Agreement also require WKP to file, prior to November 7, 1999, Preliminary Revenue Requirement Materials, including a Statement of Adjustments for a rate increase effective January 1, 2000; and
- D. The Settlement Agreement included an Annual Review process, whereby the public will be invited to examine the filed material, submit other issues for determination by the Commission, and meet to review all issues. Following the review, unsatisfied parties may institute a complaint procedure before the Commission; and
- E. On September 3, 1999, WKP filed its Preliminary 2000-2002 Revenue Requirements and Incentive Mechanism Review ("the Proposal"). WKP applied pursuant to the Utilities Commission Act ("the Act") for an Order to set rates in accordance with the Incentive Mechanism during the period beginning January 1, 2000 and ending December 31, 2002; and
- F. WKP further applied for Orders approving certain costs and amendments to the Incentive Mechanism; and

- G. WKP applied for an Order that a Negotiated Settlement Process be implemented with the following key dates:

<u>Incentive Mechanism Review</u>	<u>Date (1999)</u>
Workshops and Pre-hearing Conference	September 29 and 30
Filing of Information Requests	October 6
WKP Responses to Information Requests	October 18
Filing of Preliminary 2000 Revenue Requirement Materials	November 8
Negotiated Settlement Days	November 15-17
Filing of Participant Materials for Hearing, if required	November 22
Town Hall Meeting	November 30
Annual Review and Conference	December 1
Public Hearing, if required	December 13

- H. A 1999 Annual Review is required to assess WKP's performance and to make adjustments against 1998 and 1999 Revenue Requirements; and
- I. The Commission, in its desire to expedite issues relating to the Proposal, requires that a timetable and a process for dealing with the issues be established.

NOW THEREFORE the Commission orders as follows:

- The Commission will hold a Workshop on the Proposal on September 29 and 30, 1999, commencing at 10:00 a.m. at the Prestige Inn, 1675 Abbott Street, Kelowna, B.C., followed by a Pre-hearing Conference. The Conference will address procedural matters, which will include, but not be limited to, the following:
 - whether the WKP Preliminary 2000-2002 Revenue Requirements and Incentive Mechanism Review will proceed to a negotiated settlement process on November 15, 1999;
 - identification of principal issues;
 - changes to the Proposal; and
 - other matters that will enable the proceeding to efficiently cover and review all aspects of the Proposal.
- The Commission will also hold a 1999 Annual Review on December 1, 1999 commencing at 9:00 a.m. at the same location. A Public Information Town Hall Meeting will commence at 7:00 p.m. on November 30, 1999 for those parties not wishing, or able, to participate in the 1999 Annual Review.
- WKP will arrange for immediate publication, not later than September 17, 1999, in display-ad format, of a Notice of Workshop, Pre-hearing Conference and 1999 Annual Review, attached as Appendix A to this Order, in the appropriate local news publications in the service area of the Utility so as to provide adequate notice to the public.

At the Workshop, WKP will provide a detailed review of the Proposal, including the rationale for the Proposal and details of the cost and revenue forecasts.

4. The Proposal and supporting materials are to be made available for inspection at the Head Office of West Kootenay Power Ltd., 1290 Esplanade, P.O. Box 130, Trail, B.C., V1R 4L4; and at its District Offices located at Castlegar, Creston, Grand Forks, Kelowna (Benvoulin Road and Gordon Road), Oliver, Penticton, Trail and Warfield, B.C.

The Proposal and supporting materials are also available for inspection at the office of the British Columbia Utilities Commission, 6th Floor, 900 Howe Street, Vancouver, B.C. V6Z 2N3.

5. An appropriate notice and copy of this Order is to be faxed to all wholesale and large industrial customers and all interested parties who participated in the 1998 Annual Review, as soon as possible.
6. Those persons wishing to participate in the Workshop and Pre-hearing Conference are to advise the Commission Secretary of their intention to do so in writing, as soon as possible, but no later than September 24, 1999.
7. All Parties intending to apply for Participant Assistance and who wish to attend the Workshop and Pre-hearing Conference or 1999 Annual Review must do so consistent with the Commission's Policy and Rate Sheet as outlined in Order No. G-97-98. Copies of the Participant Assistance Policy and Rate Sheet will be sent, upon request, to parties registering with the Commission.
9. Persons intending to participate, and who are uncertain how to proceed, may contact Mr. Robert J. Pellatt, Commission Secretary, or Mr. Barry McKinlay, Manager, Rates and Finance as follows:

Telephone: (604) 660-4700
B.C. Toll Free: 1-800-663-1385

Facsimile: (604) 660-1102
E-mail: commission.secretary@bcuc.com

DATED at the City of Vancouver, in the Province of British Columbia, this ninth day of September 1999.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachment



NOTICE OF WORKSHOP, PRE-HEARING CONFERENCE AND 1999 ANNUAL REVIEW

WEST KOOTENAY POWER LTD. Preliminary 2000 –2002 Revenue Requirements and Incentive Mechanism Review

In accordance with the terms of the December 15, 1998 Settlement Agreement approved by Order No. G-123-98, on September 3, 1999, West Kootenay Power Ltd. ("WKP") filed its Preliminary 2000-2002 Revenue Requirements and Incentive Mechanism Review ("the Proposal"). The Proposal includes an application for an Order to set rates in accordance with an Incentive Mechanism during the period beginning January 1, 2000 and ending December 31, 2002.

The Proposal includes a request for an Order that a Negotiated Settlement Process be implemented with the following key dates:

Incentive Mechanism Review

Date (1999)

Workshops and Pre-hearing Conference	September 29 and 30
Filing of Information Requests	October 6
WKP Responses to Information Requests	October 18
Filing of Preliminary 2000 Revenue Requirement Materials	November 8
Negotiated Settlement Days	November 15-17
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Public Hearing, if required	December 13

THE REGULATORY PROCESS

The Commission will hold a Workshop on the Proposal on September 29 and 30, 1999 commencing at 10:00 a.m. at the Prestige Inn, 1675 Abbott Street, Kelowna, B.C., followed by a Pre-hearing Conference. The Pre-hearing Conference will address procedural matters, which will include but not be limited to:

- whether the WKP Preliminary 2000-2002 Revenue Requirements and Incentive Mechanism Review will proceed to a negotiated settlement process on November 15, 1999;
- identification of principal issues;
- changes to the Proposal; and
- other matters that will enable the proceeding to efficiently cover and review all aspects of the Proposal.

Also in accordance with the 1998 Settlement Agreement, the Commission will hold a 1999 Annual Review on December 1, 1999 commencing at 9:00 a.m. at the same location. A Public Information Town Hall Meeting will commence at 7:00 p.m. on November 30, 1999 for those parties not wishing, or able, to participate in the 1999 Annual Review.

PUBLIC INSPECTION OF THE PROPOSAL

The Proposal and supporting material are available for inspection at the following WKP locations:

Castlegar, Creston, Grand Forks, Kelowna (Benvoulin Road and Gordon Road),
Oliver, Penticton, Trail and Warfield

Copies of the Proposal and supporting material are also available for inspection at the office of the Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C.

PUBLIC PARTICIPATION

Persons who expect to actively participate in the Workshop, Pre-hearing Conference or 1999 Annual Review, should advise the Commission Secretary of their intention to do so in writing, as soon as possible, but no later than September 24, 1999.

PARTICIPANT ASSISTANCE

All Parties intending to apply for Participant Assistance and who wish to attend the Workshop and Pre-hearing Conference or 1999 Annual Review must do so consistent with the Commission's Policy and Rate Sheet as outlined in Order No. G-97-98. Copies of these Guidelines are available upon request or on the Commission's web site: www.bcuc.com/paca.html.

CLARIFICATION

Persons intending to participate and who are uncertain how to proceed, may contact Mr. Robert J. Pellatt, Commission Secretary or Mr. Barry McKinlay, Manager, Rates and Finance as follows:

Telephone: (604) 660-4700
B.C. Toll Free: 1-800-663-1385

Facsimile: (604) 660-1102
E-mail: commission.secretary@bcuc.com

BY ORDER

Original signed by:

Robert J. Pellatt