



LETTER NO. L-80-05

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Log No. 11033

VIA E-MAIL

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September 26, 2005

Mr. Marcel Regghelini
Director, Regulatory Affairs
British Columbia Transmission Corporation
Suite 1100, Four Bentall Centre
1055 Dunsmuir Street, P.O. Box 49260
Vancouver, B.C. V7X 1V5

Dear Mr. Regghelini:

Re: British Columbia Transmission Corporation ("BCTC")
Deferral Account Balance Report F2006 First Quarter

By letter dated August 12, 2005, BCTC submitted its quarterly report on the deferral account balances as directed by Commission Order No. G-96-04 and page 25 of the Decision that accompanied the Order. The four deferral accounts approved by the Order are the following:

- Revenue Deferral Account ("RDA");
- Emergency Maintenance Deferral Account ("EMDA");
- Cost of Market Deferral Account ("COMDA"); and
- Regulatory Expense Deferral Account ("REDA")

In its letter, BCTC referenced its Application for Deferral Accounts (p. 6), its Argument (p. 8) and the Decision (p. 22) and sought confirmation that the Decision approved the recording in COMDA of both positive and negative variances between forecast and actual Cost of Market expenditures. The Commission confirms this treatment.

BCTC also requested a correction to the definition of EMDA that was filed in its letter dated January 28, 2005. The words "variances between forecast and actual" are added to the definition as follows:

Deferral account to capture variances between forecast and actual non-capital emergency expenditures incurred as a result of unanticipated major equipment failures, extreme weather, wildfires, or similar events.

The Commission approves the change to the definition of EMDA. This will result in all four deferral accounts capturing both positive and negative variances.

Yours truly,

Original signed by:

Robert J. Pellatt

RJP/dlf