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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-12-06

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

and

**British Columbia Transmission Corporation
Application for Permanent Approval of the
Interim Dynamic Scheduling Tariff on Exports of
Energy and Ancillary Services from BCTC's Control Area**

BEFORE: L.F. Kelsey, Commissioner February 2, 2006
L.A. Boychuk, Commissioner

O R D E R

WHEREAS:

- A. On April 14, 2005, British Columbia Transmission Corporation ("BCTC") filed an application for approval of amendments to its Open Access Transmission Tariff ("OATT") terms and conditions to provide dynamic scheduling ("DS Service") of exports of energy and ancillary services from BCTC's control area pursuant to Sections 59 to 61 of the Utilities Commission Act ("the Act"); and
- B. By Order No. G-37-05, the Commission granted approval of this application for the period effective April 19, 2005 to March 31, 2006; and
- C. By Order No. G-37-05, the Commission directed BCTC to file a new application for dynamic scheduling by November 30, 2005 for the provision of dynamic scheduling service, if appropriate, for the period beginning April 1, 2006. The Commission directed that the new application should include a report evaluating the provision and use of the DS Service from the effective date of the Order to October 31, 2005; and
- D. On December 7, 2005, BCTC filed an Application for Permanent Approval of the Interim Dynamic Scheduling Tariff on Exports of Energy and Ancillary Services from BCTC's Control Area (the "Application"), including the requested evaluation report. BCTC does not propose any changes to Attachment O, the terms and conditions to provide DS Service under the OATT, but seeks to clarify the charges applicable to this service. In particular, BCTC proposes that DS Service designated from Short-term Firm service is charged the Short-term Firm Hourly maximum rate, and not discounted, as applicable, in accordance with the associated conditions of the OATT; and
- E. By letter dated December 13, 2005, the Commission established a limited written process to review the Application, inviting submissions from all Intervenor in the OATT hearing, and reply by BCTC; and
- F. Written submissions were received from the BC Old Age Pensioners Organization et al ("BCOAPO") on January 3, 2006. The BCOAPO do not oppose the Second Application; and

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- G. Written submissions were received from British Columbia Hydro and Power Authority (“BC Hydro”) on January 13, 2006. BC Hydro supports the Application with the exception of BCTC’s proposal to charge a customer the maximum hourly rate when the customer uses its contracted Short-term Firm transmission capacity for DS Service. BC Hydro provides detailed submissions of its reasons in this regard, suggesting rather that BCTC should file a comprehensive proposal for Commission review if it wishes to propose fundamental changes to the discounting regime approved in the OATT Decision. BC Hydro requests that the Commission direct BCTC to amend its proposed revisions to Attachment O to state rather that “DS Service designated from Short-term Firm Service is charged in accordance with Rate Schedule 01 of the OATT”. BC Hydro also requests that the Commission direct BCTC to cease its practice of charging the maximum rate for generation capacity schedules designated from Short-term Firm Point-to-Point (“PTP”) contracts, and instead charge the contracted price at the time the underlying transmission capacity is purchased; and
- H. Reply submissions were received from BCTC on January 23, 2006. Upon review of the BC Hydro submissions, BCTC acknowledges that it has limited cost and utilization experience available to it to justify a departure from its discount policy. BCTC plans to address the applicability of its discount policy to DS Service as part of the comprehensive rate design proposal it will file by December 31, 2006, in accordance with the OATT Decision. It therefore does not oppose applying, in the interim, its discounting policy to transmission designated for DS Service. BCTC submits that BC Hydro’s submission on the practice of charging the maximum rate for generation capacity schedules designated from Short-term Firm PTP contracts is wholly outside the subject of this Application, and other means are available to BC Hydro to raise this issue with the Commission.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves the Application subject to BCTC filing an updated Attachment O that properly reflects its agreement with BC Hydro that its discounting policy apply to transmission designated for DS Service. The Commission does not oppose BCTC proposing changes to the applicability of its discount policy to DS Service as part of the rate design application it expects to file by December 31, 2006.
2. The Commission agrees with BCTC that BC Hydro’s concern about the charges for generation capacity schedules designated from Short-term Firm PTP contracts is outside the scope of this Application. The Commission denies BC Hydro’s request in this regard.

DATED at the City of Vancouver, in the Province of British Columbia, this 8th day of February 2006.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner