

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-98-06

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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 Transmission Corporation
for Approval to Decrease F2007 Rates**

BEFORE: L.A. Zaozirny,
Panel Chair and Commissioner August 10, 2006

O R D E R

WHEREAS:

- A. In a letter dated March 24, 2006, British Columbia Transmission Corporation ("BCTC") applied to the British Columbia Utilities Commission to have its existing rates approved as interim effective April 1, 2006 and in the same letter informed the Commission that the Transmission Revenue Requirement Application requesting permanent rates will be filed in late April 2006; and
- B. By Order No. G-34-06 dated March 30, 2006, the Commission approved BCTC's current rates as interim effective April 1, 2006; and
- C. On May 26, 2006, BCTC filed for approval of its F2007 Revenue Requirement Application ("the Application") pursuant to Sections 58 and 89 of the Utilities Commission Act ("the Act"). The Application seeks approval of permanent rates effective April 1, 2006 and to further amend on an interim basis the current interim rates effective July 1, 2006 to reflect a F2007 Transmission Revenue Requirement decrease of 7.4 percent or \$42.2 million from the F2006 Transmission Revenue Requirement; and
- D. The Application proposes that on conclusion of a proceeding to review this Application, BCTC will implement permanent rates and make adjustments to prior billing; and
- E. BCTC's Application also seeks approval of: (i) depreciation rates pursuant to Section 56 of the Act; (ii) the clearing of deferral account balances under Section 6 of Special Direction No. 9; and (iii) Substation Distribution Asset Management and Maintenance costs and Distribution Operations Services costs for F2007; and
- F. By Order No. G-61-06, the Commission approved an interim refundable rate decrease of 7.4 percent effective July 1, 2006, issued a regulatory timetable and scheduled a Procedural Conference for June 23, 2006; and
- G. At the Procedural Conference, the BCTC confirmed their request for a written hearing process to review the Application with an option for a Negotiated Settlement Process ("NSP"); and

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- H. The Intervenor provided comments on the draft issues list and proposed regulatory agenda, agreed with BCTC's suggestion that a Second Procedural Conference be held, and, subject to the adequacy of BCTC information request responses, indicated that they will at that time determine whether to file Intervenor Evidence and/or continue to support either a written process or an NSP to review this Application; and
- I. At the Procedural Conference and by letter dated June 26, 2006, BCTC requested an amended Order to approve interim refundable rates effective July 1, 2006, as shown in Table 11-8 of the Application which are consistent with a 7.4 percent reduction in the Transmission Revenue Requirement and, by Order No. G-74-06, the Commission approved the interim refundable rates as requested; and
- J. By Order No. G-84-06, the Commission established a second Procedural Conference on August 9, 2006 along with a Regulatory Timetable for a Written Hearing Process with the alternative for a NSP which included options for the filing of Intervenor Evidence ; and
- K. At the second Procedural Conference, Intervenor indicated they will not be filing Intervenor Evidence and supported a NSP but could not comment on the adequacy of the Information Request responses since there are still outstanding IR responses to be filed by BCTC; and
- L. Intervenor indicated that subject to BCTC's outstanding responses to Commission IR No. 1 and Intervenor IR No. 2, expected to be filed August 11, 2006, they may suggest further changes to the Revised Issues List attached to the Commission letter dated June 29, 2006; and
- M. The Commission requires a regulatory process to deal with the Application be established.

NOW THEREFORE the Commission orders as follows:

- 1. A Negotiated Settlement Process will commence at 9:00a.m., Monday, September 25, 2006 in the Commission Hearing Room on the Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3.
- 2. Intervenor and Interested Parties should advise the Commission in writing or by e-mail no later than Friday, September 15, 2006 of their intention to participate in the NSP.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of August 2006.

BY ORDER

Original signed by:

L.A. Zaozirny,
Panel Chair and Commissioner