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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-145-06**

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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 of its F2007 Transmission Revenue Requirements

**BEFORE:** L.A. Zaozirny, Panel Chair and Commissioner November 22, 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 would 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 its F2007 Revenue Requirement Application ("the Application") pursuant to Sections 58 and 89 of the Utilities Commission Act ("the Act"). The Application sought 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 proposed that upon conclusion of a proceeding to review this Application, BCTC would implement permanent rates and make adjustments to prior billings; and
- E. BCTC's Application also sought 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

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- G. At the Procedural Conference on June 23, 2006 and by letter dated June 26, 2006, BCTC requested an amended Order to approve interim refundable rates effective July 1, 2006 consistent with a 7.4 percent reduction in the Transmission Revenue Requirement as shown in Table 11-8 of the Application. By Order No. G-74-06 the Commission approved the interim refundable rates as requested; and
- H. By Order No. G-98-06, the Commission established a regulatory timetable for a Negotiated Settlement Process (“NSP”) to review the Application commencing September 25, 2006. A proposed Settlement Agreement was agreed to by BCTC and Intervenor with assistance from Commission staff; and
- I. The Participants at the NSP provided Letters of Support by October 23, 2006 for the proposed Settlement Agreement and Registered Intervenor who did not participate in the Settlement process provided no comments by the deadline of November 1, 2006; and
- J. The Commission reviewed the proposed Settlement Agreement and the comments related thereto and, noting the concerns expressed by British Columbia Hydro and Power Authority (“B.C. Hydro”) and the support of all parties to the Proposed Settlement Agreement, considers that approval is warranted; and
- K. By Order No. G-139-06, the Commission approved the Proposed Settlement Agreement attached as Appendix A to the Order but directed BCTC to refund any overpayment in rates with interest calculated at a rate that was inconsistent with the Proposed Settlement Agreement.

**NOW THEREFORE** the Commission orders as follows:

1. BCTC is to refund any overpayment in rates with interest as determined by the Commission with respect to the BC Hydro F2007-F2008 Revenue Requirement Application proceeding. BCTC is to inform all customers of the final rates and refund by way of a customer notice.
2. The Commission will accept, subject to timely filing, amended Electric Tariff Rate Schedules in accordance with the terms of this Order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this     28<sup>th</sup>     day of November 2006.

BY ORDER

*Original signed by:*

L.A. Zaozirny  
Panel Chair and Commissioner