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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-148-06

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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 Hydro and Power Authority ("BC Hydro")
for Reconsideration of BCUC Order No. G-96-06**

BEFORE: R.H. Hobbs, Chair
N.F. Nicholls, Commissioner November 28, 2006
A.J. Pullman, Commissioner

O R D E R

WHEREAS:

- A. Order No. G-96-06, which established a regulatory timetable for the review of the F2007 and F2008 Revenue Requirements Application ("F07/F08 RRA"), and the review of the 2006 Integrated Electricity Plan ("2006 IEP") and the 2006 Long-Term Acquisition Plan ("LTAP"), directed BC Hydro to file a rate design application within thirty calendar days of the date of the F07/F08 RRA Decision; and
- B. The regulatory timetable attached to Order No. G-96-06 established a Workshop and Negotiated Settlement Process ("NSP") for the F07/08 RRA to be held on October 16, 2006; and
- C. The NSP commenced immediately following a Workshop led by BC Hydro on October 16, 2006; and
- D. The participants in the NSP reached a Negotiated Settlement Agreement dated November 2, 2006 ("NSA"); and
- E. The NSA was approved by Commission Order No. G-143-06 dated November 10, 2006; and
- F. As a result of paragraph 2 of Order No. G-96-06 and the date of the Commission approval of the NSA on November 10, 2006, BC Hydro is required to file its rate design application by December 11, 2006; and
- G. By letter dated November 23, 2006, BC Hydro has applied for a reconsideration and variance of paragraph 2 of BCUC Order No. G-96-06 ("Reconsideration Application"), and requests an Order of the Commission that instead directs BC Hydro to file a rate design application by March 15, 2007; and
- H. In the Reconsideration Application, BC Hydro states that it will provide a Fully Allocated Cost of Service Study based on the NSA approved by Order No. G-143-06, a Rate Design Model including possible rate rebalancing scenarios, and a list of issues to be the subject of stakeholder engagement; and

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- I. In the Reconsideration Application BC Hydro proposes to engage with stakeholders for approximately six weeks beginning in early January 2007 regarding the purpose and form of rate design applications, and to seek advice and input regarding issues and proposals to be addressed in the rate design application; and
- J. BC Hydro further states that it has discussed its Reconsideration Application with some intervenor groups and has requested that those parties write to the Commission by Friday, November 24, 2006; and
- K. BC Hydro has provided a copy of its Reconsideration Application to Registered Intervenors in the F07/08 RRA proceeding; and
- L. BC Hydro has requested that the Commission issue its decision on the Reconsideration Application at its earliest convenience; and
- M. The Commission has received letters of support, dated November 23, 2006, from the BC Old Age Pensioners Organization et al. and the Sierra Club of Canada (B.C. Chapter) et al.; and
- N. Terasen Gas Inc. by letter dated November 24, 2006, states that it does not support BC Hydro's proposal and proposes that, instead, BC Hydro be directed to file its rate design application on December 11, 2006 and that the Commission schedule allow time for stakeholder consultation and possibly a revised application; and
- O. ESVI Energy Solutions for Vancouver Island Society ("ESVI") in a letter dated November 26, 2006 requests that BC Hydro be more specific about its proposed stakeholder consultation process including the dates of initial engagement with stakeholders, additional issues for discussion, documentation to be provided, and the availability of participant assistance and, further, suggests that perhaps BC Hydro should file its full rate design application for information purposes as a platform for stakeholder engagement; and
- P. The Commission has reviewed the submissions and agrees with those who support the proposal, because there appears to be little, if any, gain in the efficiency or speed of the review process that would arise out of the alternative proposals.

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NOW THEREFORE the Commission orders as follows:

1. The direction in paragraph 2 of Order No. G-96-06 that BC Hydro file a rate design application within thirty calendar days of the date of the F07/F08 RRA Decision is rescinded.
2. BC Hydro is to file the Fully Allocated Cost of Service Study, the Rate Design Model and the list of issues, as set out in its Reconsideration Application, by December 11, 2006.
3. BC Hydro is to file a rate design application by March 15, 2007.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of November 2006.

BY ORDER

Original signed by:

Robert H. Hobbs
Chair