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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-156-06

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

and

**British Columbia Hydro and Power Authority
Transmission Service Rates Customer Baseline Load Application**

BEFORE: R.J. Milbourne, Commissioner December 7, 2006

O R D E R

WHEREAS:

- A. By Order No. G-138-06, the Commission approved the final customer baseline loads ("CBLs") filed by British Columbia Hydro and Power Authority ("BC Hydro") on September 28, 2006 (Exhibit B-16). For reasons attached as Appendix A to Order No. G-138-06, the Commission also approved a CBL adjustment of 3.75 GWh for Highland Valley Copper and a CBL adjustment of 466,708 kWh for Canadian Forest Products Ltd. - Taylor Pulp Mill; and
- B. Pursuant to Letter No. L-69-06, dated November 7, 2006, and issued concurrently with Order No. G-138-06, the Commission sought comments on issues concerning the CBL Adjustment Tariff Practices ("Tariff Practices") raised in the July 19, 2006 letter from Highland Valley Copper, and the July 21 and September 21, 2006 letters from the Joint Industry Electricity Steering Committee ("JIESC"); and
- C. In response to Letter No. L-69-06, the Commission received submissions from the JIESC and Highland Valley Copper on November 17, 2006. BC Hydro filed its reply submissions on November 24, 2006, including revised Tariff Practices that address certain of the submissions of the JIESC and Highland Valley Copper; and
- D. The Commission believes that the concerns of the JIESC and Highland Valley Copper are properly addressed by the proposed deletion by BC Hydro of the following sentence in the Tariff Practices: "A permanent increase in plant capacity is satisfied by increased product output from the plant." In order to be consistent with the above change, the Commission believes that BC Hydro should also delete the phrase "...that increases the plant's production..." in the first sentence of the penultimate paragraph in the section of the Tariff Practices on Plant Capacity Increases; and
- E. The Commission does not agree with other aspects of the submission of Highland Valley Copper, for the reasons attached as Appendix A to this Order.

**BRITISH COLUMBIA
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**ORDER
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2

NOW THEREFORE the Commission orders as follows:

1. The Commission approves the Tariff Practices filed by BC Hydro in its November 24, 2006 submissions, subject to the additional revision identified in item D above. The Commission regards the Tariff Practices as appropriate for the purpose of providing guidance to the parties in applying the CBL Guidelines in respect of future CBL adjustment requests.
2. The Tariff Practices shall only be applicable where the CBL Guidelines are silent and shall never be applicable in a manner inconsistent with the specific or general provisions of the CBL Guidelines.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of December 2006.

BY ORDER

Original signed by

R.J. Milbourne
Commissioner

Attachment

British Columbia Hydro and Power Authority
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REASONS FOR DECISION

Highland Valley Copper proposes that the Tariff Practices be ignored whenever a customer seeks a CBL adjustment under Section 6.2 of the CBL Guidelines. BC Hydro is concerned that the Highland Valley Copper proposal would frustrate the Tariff Practices, and the Commission's approval of them. The Commission Panel is similarly concerned. The Commission Panel believes that the proposal of Highland Valley Copper is unnecessary because the Commission Panel regards the Tariff Practices as appropriate for providing guidance to the parties in applying the CBL Guidelines in respect of future CBL adjustment requests. The Commission Panel does not expect that the Tariff Practices will diminish the flexibility of BC Hydro to consider adjustment requests filed under Section 6.2 of the CBL Guidelines, which recognizes that BC Hydro cannot anticipate precisely all adjustments that may be justifiable within the principles of the tariff.

The Commission Panel considers that it is unnecessary to codify in the CBL Guidelines or in the Tariff Practices, or to specify otherwise in advance of an Impact Study, any industry- or customer-specific metrics that might be applied to CBL adjustments in respect of plant capacity increases, as suggested by Highland Valley Copper. The Commission has approved the CBL Guidelines and, through Order No. G-156-06, the Tariff Practices. To specify such metrics in advance of customer-specific requests could unnecessarily restrict the appropriate application of the Guidelines and Tariff Practices.