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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-11-07

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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 an Accounting Order
related to its F2007 Transmission Revenue Requirements**

BEFORE: L.A. Zaozirny, Panel Chair and Commissioner February 7, 2007

O R D E R

WHEREAS:

- A. In a letter dated January 9, 2007, British Columbia Transmission Corporation ("BCTC") applied to the Commission for an accounting order to make entries prior to the end of F2007 that would reduce BCTC's retained earnings and reduce British Columbia Hydro and Power Authority's ("BC Hydro") fixed assets by \$1.4 million to prevent an unintentional double-recovery of costs of Gas Insulated Switchgear and Air Blast Circuit Breakers which were forecast as operating, maintenance and administrative expenses in F2006 but were subsequently capitalized (the "Application"); and
- B. The recording of the costs of the Gas Insulated Switchgear and Air Blast Circuit Breakers in F2006 were described in BCTC's responses to BCUC Information Request ("IR") 1.16.0, BCUC IR 2.102.1 and Joint Industry Electricity Steering Committee's IR 1.8.2 related to its F2007 Transmission Revenue Requirements Application; and
- C. This Application is filed pursuant to Commission Order No. G-139-06 which approved the Negotiated Settlement Agreement of BCTC's F2007 Transmission Revenue Requirements (the "Negotiated Settlement Agreement"); and

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-11-07

2

D. Paragraph 21 of the Negotiated Settlement Agreement contained BCTC's commitment to apply for the accounting order, a description of the requested journal entries and a description of the purpose and effect of the entries on BCTC's retained earnings and BC Hydro's fixed assets consistent with the Application. The Negotiated Settlement Agreement contains a letter of support from BC Hydro; and

E. The Commission has reviewed the Application and considers that approval is warranted.

NOW THEREFORE the Commission approves BCTC's Application for the requested accounting order with the entries to be completed prior to the end of F2007.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of February 2007.

BY ORDER

Original signed by

L.A. Zaozirny
Panel Chair and Commissioner