

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-135-08**

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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 the
Disposition of the F2008 Deferral Accounts

BEFORE: L.A. O'Hara, Panel Chair
and Commissioner

September 22, 2008

O R D E R

WHEREAS:

- A. Commission Order G-96-04 approved the establishment of the Revenue Deferral Account, Cost of Market Deferral Account, Emergency Maintenance Deferral Account, and a Regulatory Expenditure Deferral Account (together, the "Deferral Accounts") for the British Columbia Transmission Corporation ("BCTC"); and
- B. On June 26, 2008 Commission Order G-105-08 approved BCTC's F2009 and F2010 Transmission Revenue Requirement Negotiated Settlement Agreement ("BCTC F2009-F2010 Settlement Agreement"). Clause 28 of the BCTC F2009-F2010 Settlement Agreement requires BCTC to credit the amount of \$1.575 million to the F2008 Revenue Deferral Account; and
- C. On July 7, 2008 BCTC applied to the Commission under Section 60 of the Utilities Commission Act and Section 6(c) of Special Direction 9 to dispose of the F2008 balances in the Deferral Accounts by way of a one time charge or credit (refund) to the customers' bills (the "Application"); and
- D. BCTC provided a copy of the Application to the Registered Intervenor from the BCTC F2009-F2010 Settlement Agreement (the "Intervenor"); and

- E. In a letter dated July 16, 2008 the Commission requested that the Intervenor file any comments on the Application by July 22, 2008; and
- F. On July 10, 2008 the Commission issued the BCTC Transmission System Capital Plan F2009 to F2018 Decision (the "Decision") which included comments regarding the UMS Group Inc. Report (the "UMS Report"); and
- G. On July 22, 2008 the British Columbia Hydro and Power Authority ("BC Hydro") filed comments regarding the Application and noted that the Decision was critical of the UMS Report. BC Hydro submitted that the expenditures for the UMS Report are appropriately considered a regulatory expenditure, but takes no position on whether the amount should be transferred into the regulatory expenditure deferral account and recovered from customers as requested in the Application. No other Intervenor submitted comments on the Application; and
- H. In a letter dated July 23, 2008 the Commission requested that BCTC provide the Commission with a response to BC Hydro's comments by July 29, 2008; and
- I. On July 29, 2008 BCTC requested the Commission extend the deadline for BCTC to respond to BC Hydro's comments to August 30, 2008. BCTC also submitted that since there were no other issues regarding the Application, the remainder of the Application should be considered closed; and
- J. In a letter dated August 7, 2008 the Commission extended the deadline for BCTC to respond to BC Hydro's comments to August 30, 2008; and
- K. On August 29, 2008 BCTC submitted a reply to BC Hydro's comments and a submission on the prudence of the expenditures related to the UMS Report; and
- L. The Commission Panel for the BCTC Transmission System Capital Plan F2009 to F2018 application proceeding has reviewed all submissions related to the BCTC UMS report and concludes that no further process is required, but notes and expresses concern that in response to a Commission information request for the terms of reference for the UMS Report BCTC chose to file the UMS proposal, although a draft "terms of reference" was available as is apparent in the BCTC submission of August 29, 2008; and
- M. The Commission has reviewed the submissions and considers that the Application is in the public interest.

NOW THEREFORE pursuant to Section 60 of the Utilities Commission Act and Section 6(c) of Special Direction 9 the Commission approves the disposition of the F2008 balances in the Deferral Accounts as described in the Application.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of September 2008.

BY ORDER

Original signed by

Commissioner