



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-103-09**

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

and

An Application by the British Columbia Transmission Corporation
to Amend the BCTC Open Access Transmission Tariff

and

A Complaint by TransCanada Energy Ltd.
Re BCTC Firm Transmission Sales to Alberta

BEFORE: A.A. Rhodes, Panel Chair
L.A. O'Hara, Commissioner
P.E. Vivian, Commissioner

September 10, 2009

O R D E R

WHEREAS:

- A. On June 3, 2008, the British Columbia Transmission Corporation ("BCTC") applied to the British Columbia Utilities Commission ("BCUC", "the Commission") to suspend the release for sale of additional Firm Available Transfer Capacity ("Firm ATC") on the British Columbia to Alberta path (the "BC>AB Path") and to suspend the Facilities Study relating to requests for additional service on the BC>AB Path; and
- B. On July 3, 2008, the Commission issued Order G-110-08 (the "Suspension Order"), granting BCTC's June 3, 2008 application. In granting the Suspension Order, the Commission directed BCTC to address certain issues raised in that application in the context of BCTC's next Open Access Transmission Tariff ("OATT") Application or Rate Design review, and to provide a Tariff provision to address the issues; and
- C. The OATT includes the rates, terms, and conditions (including tariff supplements) of the non-discriminatory, open access transmission service offered by BCTC. OATT is modeled on a pro forma tariff established by Federal Energy Regulatory Commission ("FERC") Order No. 888 (the pro forma tariff), which was recently amended by FERC Order No. 890; and
- D. On July 14, 2008, BCTC held a consultation session concerning the implementation of FERC Order No. 890. The consultation included discussion of: the potential impact of incremental sales of firm transmission on existing firm transmission service on the BC>AB Path, the simultaneous submission window, and performance metrics and operational penalties; and
- E. On October 9, 2008, TransCanada Energy Ltd. ("TCE") filed a complaint (the "Complaint") with the Commission with respect to BCTC's decision to release additional Long-Term Firm Point to Point transmission capacity for sale on the BC>AB Path in December of 2007; and

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UTILITIES COMMISSION**

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NUMBER G-103-09**

2

- F. By letter dated October 17, 2008, the Commission requested comment from BCTC on its views on a process to review the Complaint; and
- G. By letter of October 31, 2008, BCTC responded to the Commission, stating that BCTC anticipated filing its OATT amendment application by November 21, 2008, and that the application would address the issues raised by TCE; and
- H. On November 13, 2008, the Commission issued Letter L-53-08, advising TCE that the Commission would, after receipt of the OATT amendment application, issue a procedural letter or order to solicit submissions on the appropriate process or processes for reviewing the Complaint and the application, including the appropriate degree of separation between the reviews of each; and
- I. On November 21, 2008, BCTC filed its application to amend the OATT (the "OATT Amendment Application"), pursuant to subsections 58, 59, and 60 of the Utilities Commission Act ("UCA", the "Act"); and
- J. BCTC indicated that the OATT Amendment Application included its response to the Complaint; and
- K. As part of the OATT Amendment Application, BCTC sought an interim order, pursuant to section 89 of the Act, and section 15 of the Administrative Tribunals Act, requiring that specified new Service Agreements indicate that they are subject to a further Commission order on the OATT Amendment Application. The requirement would apply to transmission service rollover requests by British Columbia Hydro and Power Authority ("BC Hydro") on the BC>AB Path and any queued requests for Firm ATC coming available on the BC>AB Path on January 1, 2009; and
- L. Commission Order G-175-08, dated November 27, 2008, required BCTC to indicate on two specified BC Hydro rollovers, and any contracts for Firm Available Transfer Capacity coming available on the BC>AB Path on January 1, 2009, that:

"This Service Agreement is subject to a further order of British Columbia Utilities Commission in the matter of the British Columbia Transmission Corporation Application to Amend the Open Access Transmission Tariff"; and
- M. By Order G-195-08, the Commission established a Procedural Conference for January 8, 2009 to address procedural matters; and
- N. At the Procedural Conference, the Commission Panel heard submissions on the scope of the regulatory review, the review format for the principal issues, and whether the OATT Amendment Application and the Complaint could be properly dealt with in a combined proceeding or if separate proceedings were required; and
- O. Following the Procedural Conference, the Commission issued Order G-3-09 whereby it ordered that BCTC's OATT Amendment Application, other than the parts of Part 6 thereof dealing with TCE's Complaint, would be reviewed through a Written Hearing Process, to be termed the "OATT Amendment Hearing"; the Complaint and those parts of Part 6 of the OATT Amendment Application in response, would be reviewed through an Oral Hearing Process termed the "TCE Complaint Hearing"; there would be a common evidentiary record for both the OATT Amendment Application and the Complaint; and established a Regulatory Timetable; and
- P. The TCE Complaint Hearing Proceeded for two days commencing April 29, 2009; and
- Q. The Commission Panel has now considered the evidence and the written submissions of BCTC and TCE and Registered Intervenor for both the OATT Amendment Application and the Complaint.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
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3

NOW THEREFORE the Commission, for the reasons stated in its Decision on the TCE Complaint Hearing, orders as follows:

1. The TCE Complaint is dismissed.
2. Long Term Firm Point-to-Point Transmission Capacity for sale on the BC>AB path shall be limited to 480 MW (545 MW Total Transfer Capability less 65 MW Transmission Reliability Margin) on a prospective basis until such time as the Alberta Electric System Operator is able to accept additional energy flowing from British Columbia.
3. Contracts for Firm Service on the BC>AB path bearing the subject condition concerning a further order of the British Columbia Utilities Commission, up to the 305 MW necessary to reduce the capacity offered for sale to 480 MW, shall be cancelled or amended to a form of conditional period-conditional firm or non-firm service. BCTC and its affected customers may determine the allocation of the 305 MW to be removed. Affected customers shall have the right to be placed at the top of the existing queue in an order which is consistent with their pre-existing priority rights.
4. The temporary suspension of the Facilities Study for the BC>AB path granted in Order G-110-08 is continued.
5. BCTC is directed to amend Attachment C to its OATT to include the following clause:

“Notwithstanding any other provision in this tariff, the Transmission Provider shall limit sales of Firm Point-to-Point Transmission Service on the BC>AB path to 480 MW.”

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of September 2009.

BY ORDER

Original signed by:

Alison A. Rhodes
Panel Chair/Commissioner