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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-163-10**

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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
for Review of its F2011 Revenue Requirement Application

BEFORE: D.A. Cote, Commissioner/Panel Chair
M.R. Harle, Commissioner
L.A. O'Hara, Commissioner
October 27, 2010

O R D E R

WHEREAS:

- A. British Columbia Hydro and Power Authority (BC Hydro) filed on March 3, 2010 with the British Columbia Utilities Commission (Commission), pursuant to sections 44.2 and 58 to 61 of the *Utilities Commission Act* (the Act), its F2011 Revenue Requirements Application (the F11 RRA, or Application) for, among other things, final approval of an across-the-board rate increase of 6.11 percent, effective April 1, 2010, and final approval to increase the Deferral Account Rate Rider from 1.0 percent to 4.0 percent, effective April 1, 2010. For the residential inclining block Rate Schedules 1101 and 1121, BC Hydro is proposing to apply the 6.11 percent increase equally to the Basic charge and Step 1 and Step 2 energy charges;
- B. The Application also sought refundable interim relief, pursuant to sections 58 to 61, 89 and 90 of the Act and section 15 of the *Administrative Tribunals Act*, to allow BC Hydro to increase its rates by 6.11 percent on an across-the-board basis, and to increase its Deferral Account Rate Rider from 1.0 percent to 4.0 percent, both effective April 1, 2010, pending the hearing into the F11 RRA and orders subsequent to that hearing, on the basis that on April 1, 2010 BC Hydro's current rates would otherwise no longer be fair, just and not unduly discriminatory;
- C. On March 15, 2010, Commission Order G-47-10 approved BC Hydro's request for interim rates subject to refund with interest at BC Hydro's weighted average cost of debt for its most recent fiscal year;
- D. By Commission Order G-136-10, the Commission established a Further Amended Regulatory Timetable that provided in part for a Negotiated Settlement Process (NSP) to begin on September 22, 2010 and a Default Schedule in the event no agreement was reached as a result of the NSP;
- E. In a letter dated October 13, 2010, BC Hydro advised the Commission that the NSP had failed;
- F. By Order G-157-10 dated October 21, 2010, the Commission established a Revised Regulatory Timetable;

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
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2

- G. In a letter dated October 26, 2010, BC Hydro advised the Commission that it continued informal discussions with NSP participants, despite BC Hydro's view that the NSP had failed. The discussions have given BC Hydro cause to believe that a settlement of the Application is both achievable and imminent; therefore, BC Hydro seeks a reinstatement of the NSP to allow the settlement process to continue, and a suspension of the regulatory schedule established by Commission Order G-157-10;
- H. BC Hydro also states that it has discussed its October 26, 2010 letter to the Commission with all NSP participants and understands that they are all in agreement with it.

NOW THEREFORE the Commission orders that the regulatory schedule established by Commission Order G-157-10 be suspended until further order of the Commission and the NSP be reinstated.

DATED at the City of Vancouver, in the Province of British Columbia, this 27th day of October 2010.

BY ORDER

Original signed by:

Dennis A. Cote
Commissioner/Panel Chair