

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-34-13**

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

**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 Approval of Final Rates for Vancouver Island Health Authority**

BEFORE: B.A. Magnan, Commissioner
R.D. Revel, Commissioner March 7, 2013
C. van Wermeskerken, Commissioner

O R D E R

WHEREAS:

- A. By Order G-110-10 dated June 29, 2010, the British Columbia Utilities Commission (Commission) approved the Negotiated Settlement Agreement (NSA) that concluded the regulatory review of British Columbia Hydro and Power Authority's (BC Hydro) application regarding its Large General Service (LGS) rate;
- B. Clause 13 of the LGS NSA allows for customers who anticipate significant, permanent increases in energy consumption, as defined in Clause 13, to apply for an increase in their Historical Baseline (HBL) on a prospective basis;
- C. By Order G-22-12 dated February 28, 2012, the Commission approved Tariff Supplement (TS) No. 82 and the consequent amendments to Rate Schedule 16xx. TS No. 82 contains rules regarding customer applications under Section 13 of the LGS NSA;
- D. TS No. 82, Section 3.4 outlines the conditions that must be met in order to permit a demand side management (DSM) adjustment to the Qualifying Threshold for prospective HBL adjustments;
- E. On May 23, 2012, Vancouver Island Health Authority (VIHA) applied to BC Hydro for a prospective growth adjustment to its HBL, pursuant to TS No. 82 (the VIHA Application). The VIHA Application included a DSM adjustment to the Qualifying Threshold for a Commercial New Construction (CNC) project;
- F. CNC projects are not subject to BC Hydro's Measurement and Verification Processes, but are instead subject to a pre-investment review by BC Hydro. Accordingly, the DSM project in the VIHA Application did not meet the condition in TS No. 82, Subsection 3.4 (V) to permit a DSM adjustment to the Qualifying Threshold;

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-34-13

2

- G. By letter dated August 28, 2012, BC Hydro applied to the Commission for approval to place VIHA on interim and refundable rates effective September 1, 2012 (the Application). The Application sought approval pending the outcome of BC Hydro's application for approval of amendments to TS No. 82, including an amendment to Subsection 3.4(V);
- H. By Order G-140-12 dated October 4, 2012, the Commission approved the request to place VIHA on interim and refundable rates, effective September 1, 2012;
- I. On November 6, 2012, BC Hydro applied for approval of certain amendments to TS No. 82, including an amendment to Subsection 3.4(V) that replaced "Measurement and Verification processes" with "financial and technical review processes";
- J. By Order G-20-13 dated February 7, 2013, the Commission approved the proposed amendments to TS No. 82;
- K. By letter dated February 14, 2013, BC Hydro applied to the Commission for approval to apply TS No. 82, as approved by Order G-20-13, to VIHA on a final basis effective September 1, 2012;
- L. The Commission has reviewed the Application and determines that approval of the Application is in the public interest.

NOW THEREFORE the Commission orders as follows:

1. BC Hydro's Tariff Supplement No. 82, as approved by Order G-20-13, is applicable to the Vancouver Island Health Authority on a final basis, effective September 1, 2012.
2. If the permanent rates are less than the interim rates for the period September 1, 2012, to the date of this Order, BC Hydro must refund Vancouver Island Health Authority in accordance with Clause 5.8(6) of BC Hydro's Electric Tariff, with interest paid at a rate equal to BC Hydro's weighted average cost of debt, calculated for BC Hydro's most recent fiscal year.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th of March 2013.

BY ORDER

Original signed by:

B.A. Magnan
Commissioner