

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-16-10**

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

and

**British Columbia Hydro and Power Authority
Transmission Service Rates
Customer Baseline Load ("CBL") F2009 and F2010 Application**

BEFORE: L.F. Kelsey, Commissioner
D.A. Cote, Commissioner
January 21, 2010

ORDER

WHEREAS:

- A. On August 7, 2009, British Columbia Hydro and Power Authority ("BC Hydro") filed its Customer Baseline Load F2009 and F2010 Application (the "F09/F10 CBL Application") with British Columbia Utilities Commission (the "Commission") requesting the following approvals under the *Utilities Commission Act* (the "Act"):
- i. Permanent Adjusted F2009 CBLs, effective April 1, 2008, and the placement of certain customers on Rate Schedule 1823 (Transmission Service - Stepped Rate), Energy Charge A ("RS 1823A") during F2009, pursuant to sections 58 to 61 of the Act;
 - ii. Interim F2010 CBLs, effective April 1, 2009, and the continuation on, or placement of, certain customers to, RS 1823A in F2010, pursuant to sections 58 to 61, 89 and 90 of the Act;
 - iii. Revised CBL Adjustment Tariff Practices, pursuant to section 26(a) of the Act; and
- B. On September 3, 2009, the Commission issued Order G-100-09, and Letter L-68-09, directing BC Hydro to inform each Transmission Service Rate customer of their adjusted CBL and the revised CBL Adjustment Tariff Practices, as proposed in the F09/F10 CBL Application. Customers were requested to provide the Commission with comment on BC Hydro's proposed CBLs and revised CBL Adjustment Tariff Practices, by October 14, 2009; if a customer had not responded to the Commission by that date, L-68-09 indicated that the Commission would conclude that the customer agreed with the CBLs and Tariff Practices proposed by BC Hydro; and

- C. By October 14, 2009, the Commission received comment from two transmission rate customers concerning the revised CBLs proposed by BC Hydro: Mount Polley Mining Corporation (“MPMC”) and Buckeye Canada (“Buckeye”). MPMC disputed BC Hydro’s treatment of energy efficiency enhancements and the implications for their revised CBL. Buckeye objected to BC Hydro’s strict application of the CBL Tariff Practices’ facility shutdown threshold during the economic slowdown, stating it posed a particular hardship on smaller operations. Buckeye also appealed BC Hydro’s termination of its persistence allowance (a CBL credit over the lesser of the life of the demand-side management project or ten years); and
- D. By letter dated November 6, 2009, the Joint Industry Electricity Steering Committee (“JIESC”) expressed support for MPMC that energy efficiency enhancements should be taken into account in determining CBL adjustments. JIESC also commented that Measurement & Validation efforts should only be used confirm that expected savings are achieved regarding certain modifications to Tariff Practices, which were supported by BC Hydro and approved by Commission Order G-7-09; and
- E. On December 18, 2009, Buckeye informed the Commission that it and BC Hydro had agreed on a revised interim F2010 CBL and that BC Hydro had extended the persistency for another two additional years; and
- F. On December 21, 2009, BC Hydro proposed amendments to Tariff Supplement No. 74 (CBL Determination Guidelines) in an application (the “CBL Guidelines Amendment Application”) to the Commission, pursuant to sections 58 to 61 of the Act. The proposed amendments provide for an adjustment (increase) to a customer CBL in circumstances where the customer undertakes a customer-funded demand side management (“DSM”) project as part of an eligible plant capacity increase (“PCI”) project or as part of the design of new plant. BC Hydro requested that the amendments take effect at the date of the application, so that customers undertaking PCI or new plant projects during F2010 would be able to make design choices with certainty of the CBL treatment; and
- G. In the CBL Guidelines Amendment Application, BC Hydro also requested that the Commission approve the F09/F10 CBL Application as soon as possible, with the exception of the adjusted F2009 and F2010 CBLs for MPMC. BC Hydro stated that Commission determination on the CBL Guidelines Amendment Application is necessary prior to finalizing the F2009 and F2010 CBLs for MPMC; and
- H. The Commission has considered the F09/F10 CBL Application, the customer responses to Order G-100-09 and Letter L-68-09, and the relevant proposals in the CBL Guidelines Amendment Application.

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NOW THEREFORE the Commission orders as follows:

1. The CBLs and transfers to RS 1823A, as identified in columns headed “Adjusted F2008 CBL (366 days)” in Appendix A of the F08/F09 CBL Application dated April 6, 2009, are approved on a final and permanent basis.
2. The CBLs and transfers to RS 1823A, as identified in columns headed “Adjusted F2009 CBL for Final Approval” in Appendix A of the F09/F10 CBL Application, are approved on a final and permanent basis.
3. The CBLs and transfers to RS 1823A, as identified in columns headed “Interim F2010 CBL for Interim Approval” in Appendix A of the F09/F10 CBL Application, are approved on an interim basis until such time as they are approved on a permanent basis by the Commission.
4. Directives 2 and 3 above do not apply to MPMC. The MPMC CBL, and any transfer to RS 1823A for MPMC, will be considered subsequent to the Commission’s determination of the CBL Guidelines Amendment Application.
5. The new and revised CBL Adjustment Tariff Practices, described in Appendix E of the F09/F10 CBL Application, are approved subject to Commission approval of a revised Rate Schedule 1823 Tariff page containing provision for a customer to remain on RS 1823 Energy Charge A beyond 12 billing periods.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of January 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner