
Revenue Requirement Application

2004/05 and 2005/06

BC hydro 

Volume 1

Chapter 6A.

Evidentiary Update

Transmission

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None.

1 Introduction

2 This Evidentiary Update reflects the impacts of the changes in two assumptions and the
3 correction of two costing errors relative to the transmission portion of BC Hydro's Revenue
4 Requirements Application that was filed on December 15, 2003 (the Application). This
5 Update has been prepared by British Columbia Transmission Corporation (BCTC) as part of
6 BC Hydro's Revised Evidentiary Update.

7 The changed assumptions are as follows:

- 8 • Interest rates – As described in Chapter 2A (Revised), long-term and short-term interest
9 rates are forecast to be lower than the rates used in the Application. Consequently,
10 finance charges for F2005 and F2006 are reduced by \$9.9 million and \$10.8 million,
11 respectively.
- 12 • One-year deferral of Guichon long-term point-to-point contract – On December 1, 2003,
13 BC Hydro advised BCTC that, in accordance with Tariff Supplement 30, it is exercising
14 its right to defer the commencement of transmission services under the Guichon contract
15 by one year. The contract was originally scheduled to take effect December 3, 2003 and
16 was assumed to do so in the Application. This contract deferral affects F2005 Point-to-
17 Point revenue forecast and does not have an impact on the Total Transmission Revenue
18 Requirement. The net impact on F2005 Point-to-Point revenue forecast is a reduction of
19 \$10 million, which will be recovered through Network Integration Transmission Service.
20 For F2006 there is no impact as Guichon contract is now forecast to take effect in
21 December 2004.

22 The two costing errors that are corrected in this Evidentiary Update are as follows:

- 23 • Cost recoveries of \$1.3 million – There is an inconsistency in how the \$1.3 million OMA
24 cost recoveries are accounted for in F2006 between Chapter 6 and Chapter 2 as filed in
25 the Application. In Chapter 6, the \$1.3 million OMA cost recoveries from other BC Hydro
26 business units are accurately shown as BC Hydro's "Non-WTS Revenues and
27 Recoveries". However, in Chapter 2 the \$1.3 million was inadvertently omitted resulting
28 in transmission cost being overstated by \$1.3 million. The correction of this error results
29 in a \$1.3 million reduction of BC Hydro's F2006 Consolidated Revenue Requirements in
30 Chapter 2, Schedule B3, but has no impact on the Transmission Revenue Requirement
31 in Chapter 6.

- 1 • Allocation to Substation Distribution Asset Management – The allocation of total
2 transmission costs to Substation Distribution Asset Management incorrectly included a
3 portion of Asset Retirement Obligation and Property Rights Management. As these costs
4 are related to transmission lines and cables, no allocation should be made to Substation
5 Distribution Asset Management. The correction of this costing error reduces Substation
6 Distribution Asset Management by \$1.9 million in F2005 and \$1.4 million in F2006.

7 The impact on the Total Transmission Revenue Requirement is shown in Table 6A-1 below.

8 **Table 6A-1. Impact on Total Transmission Revenue**

9

(\$ millions)	F2005 Plan	F2006 Plan
Total Transmission Revenue Requirement (<i>see Chapter 6, Table 6-1, page 6-7</i>)	\$558.4	\$590.1
Reduction in finance charges	(9.9)	(10.8)
Guichon one-year contract	No impact	N/A
Omission of \$1.3 million cost	No impact	No impact
Adjust costs allocation to Substation Distribution Asset	1.9	1.4
Total Transmission Revenue Requirement as updated	\$550.4	\$580.7

10

11 The Wholesale Transmission Services rate impact of this evidentiary update can be found
12 on page **6A-8**.

2 Total Transmission Revenue Requirement

Table 6A-2 is an updated Total Transmission Revenue Requirement Summary reflecting the changes in finance charges and Substation Distribution Asset Management.

Table 6A-2. Total Transmission Revenue Requirement Summary (Revised)

(\$ millions)	F2005 Plan	F2006 Plan
Operations, Maintenance & Administration		
System Operations	\$44.2	\$45.7
Asset Management & Maintenance	106.4	106.8
General & Administration	18.6	17.5
BC Hydro Corporate Allocation	15.4	16.2
BC Hydro Rights Management, Properties, and Asset Retirement Obligation	4.8	4.8
Total Operations, Maintenance & Administration	\$189.3	\$190.9
Cost of Market	\$1.0	\$5.8
Asset Related Expense		
Finance Charge	121.1	130.8
Depreciation & Amortization	151.9	159.4
Grants & Taxes	89.5	90.8
Allowed Return	123.0	129.9
Total Cost	\$675.9	\$707.6
Less Non-WTS Revenues and Recoveries		
Non-WTS Revenues:		
Generation Related Transmission Assets	\$(43.3)	\$(43.3)
Substation Distribution Asset Management	(67.7)	(69.0)
Generation Dispatch Service	(0.1)	(0.1)
Aquila General Wheeling Agreement	(3.8)	(3.8)
Secondary Revenues	(4.2)	(5.7)
	\$(119.1)	\$(122.0)
Cost Recoveries:		
Generation Dispatch Services	\$(1.0)	\$(1.0)
Distribution Dispatch Services	(2.6)	(2.6)
Control Centre Leases	(1.4)	-
Other Recoveries	(1.4)	(1.3)
	\$(6.5)	\$(5.0)
Total Non-WTS Revenues and Recoveries	\$(125.5)	\$(126.9)
Total Transmission Revenue Requirement	\$550.4	\$580.7

Reference: Table 6-1, page 6-7 and BCUC IR 1.67.3.

5

6

1 Table 6A-3 provides a breakdown of Total Transmission Revenue Requirement between BC
 2 Hydro and BCTC for F2005 and F2006, updated to reflect changes in finance charges and
 3 Substation Distribution Charges.

4 **Table 6A-3. Total Transmission Revenue Requirement Summary - BC Hydro and**
 5 **BCTC**

(\$ millions)	F2005			F2006		
	BC Hydro	BCTC	Total	BC Hydro	BCTC	Total
Operations, Maintenance & Administration						
System Operations	\$2.7	\$41.5	\$44.2	\$ -	\$45.7	\$45.7
Asset Management & Maintenance	81.5	24.9	106.4	-	106.8	106.8
General & Administration	0.2	18.4	18.6	-	17.5	17.5
BC Hydro Corporate Allocation	15.4	-	15.4	16.2	-	16.2
BC Hydro Rights Management, Properties, and Asset Retirement Obligation	4.8	0.0	4.8	4.8	0.0	4.8
Total Operations, Maintenance & Administration	\$104.6	\$84.8	\$189.3	\$21.0	\$169.9	\$190.9
Cost of Market	\$ -	\$1.0	\$1.0	\$ -	\$5.8	\$5.8
Asset Related Expense						
Finance Charge	119.7	1.4	121.1	129.1	1.7	130.8
Depreciation & Amortization	133.4	18.6	152.0	142.7	16.7	159.4
Grants & Taxes	89.2	0.3	89.5	90.5	0.3	90.8
Allowed Return	119.7	3.3	123.0	126.0	3.9	129.9
Total Cost	\$566.6	\$109.3	\$675.9	\$509.4	\$198.3	\$707.6
Less Non-WTS Revenues and Recoveries						
Non-WTS Revenues:						
Generation Related Transmission Assets	\$(43.3)	-	\$(43.3)	\$(43.3)	\$ -	\$(43.3)
Substation Distribution Asset Management	(67.7)	-	(67.7)	(69.0)	-	(69.0)
Aquila General Wheeling Agreement	(3.8)	-	(3.8)	-	(3.8)	(3.8)
Secondary Revenues	(4.2)	-	(4.2)	(5.7)	-	(5.7)
	\$(119.0)	-	\$(119.0)	\$(118.0)	\$(3.8)	\$(121.9)
Cost Recoveries:						
Generation Dispatch Services	\$ -	\$(1.1)	\$(1.1)	\$ -	\$(1.1)	\$(1.1)
Distribution Dispatch Services	-	(2.6)	(2.6)	-	(2.6)	(2.6)
Control Centre Leases	(1.4)	-	(1.4)	-	-	-
Other Recoveries	(1.4)	-	(1.4)	(1.3)	-	(1.3)
	\$(2.8)	\$(3.8)	\$(6.6)	\$(1.3)	\$(3.8)	\$(5.0)
Total Non-WTS Revenues and Recoveries	\$(121.7)	\$(3.8)	\$(125.5)	\$(119.4)	\$(7.6)	\$(126.9)
Total Transmission Revenue Requirement	\$444.8	\$105.5	\$550.4	\$390.0	\$190.7	\$580.7

6 Reference: BCOAPA IR #1.47.0(b).

1 **3 Finance Charges**

2 BCTC's financing strategy (for its own assets) calls for a mix of Canadian short-term and
 3 long-term borrowings, with more weighting in long-term debt to lock in historically low
 4 interest rates. Changes in Canadian long-term and short-term interest rate forecasts are
 5 shown in Table 6A-4.

6 **Table 6A-4. Updated Interest Rate Forecast, F2005 and F2006**

	F2005	F2006
Canadian Short-Term Interest Rates		
As filed in Application	3.63%	5.06%
Per Revised Evidentiary Update	2.81%	4.03%
Canadian Long-Term Interest Rates		
As filed in Application	5.91%	6.64%
Per Revised Evidentiary Update	5.68%	6.26%

7
 8 Finance Charges are included as part of asset related expenses. Table 6A-5, below,
 9 provides an update to those expenses.

10 **Table 6A-5. Asset Related Expenses F2003 to F2006**

(\$ millions)	F2003 Actual	F2004 Forecast	F2005 Plan	F2006 Plan
Depreciation and Amortization	\$127.4	\$137.6	\$148.8	\$155.8
10% DSM Amortization	2.5	2.4	3.1	3.6
Taxes and Grants	89.4	87.9	89.5	90.8
Finance Charges	135.0	131.0	121.1	130.8
Total Asset Related Expenses	\$354.3	\$358.9	\$362.5	\$381.0

11 Reference: Table 6-23, page 6-76.

1 **4 Non-WTS Revenues and Recoveries**

- 2 Non-WTS Revenues and Recoveries tables have been updated to reflect the change in
3 Substation Distribution Asset Management. Table 6A-6 was filed as a response to BCUC IR
4 #2.186.0 and provides a detailed breakdown of the allocation of Total Transmission cost to
5 Substation Distribution Asset Management. This table is updated below.

1 **Table 6A-6. Summary of Asset Base and Costs F2005 and F2006**

	F2005			F2006			Basis of Classification
	Total Transmission Owner	Substation Distribution Asset Mgmt (incl T cust meters & subs)	Other (WTS, GRTA, GDO & DDO)	Total Transmission Owner	Substation Distribution Asset Mgmt (incl T cust meters & subs)	Other (WTS, GRTA, GDO & DDO)	
Asset Base:							
BCHydro Asset Owner							
Active Assets	\$4,942.1	\$681.3	\$4,260.8	\$5,087.2	\$701.3	\$4,385.9	Direct assignment & asset analysis
Accumulated Depreciation	(2,376.6)	(330.2)	(2,046.4)	(2,490.1)	(346.0)	(2,144.1)	Direct assignment & asset analysis
Unamortized Contribution in aid	(83.1)	(34.7)	(48.5)	(91.6)	(38.2)	(53.4)	Direct assignment & asset analysis
Unfinished Construction (WIP)	163.7	-	163.7	253.7	-	253.7	Direct assignment
Demand Side Management	28.9	-	28.9	34.6	-	34.6	Direct assignment
Sub-total BC Hydro Asset Owner	\$2,675.0	\$316.4	\$2,358.6	\$2,793.9	\$317.1	\$2,476.8	
BCTC							
Assets in service	\$113.2		\$113.2	\$124.1		\$124.1	Direct assignment
Accumulated Depreciation	(75.3)		(75.3)	(85.5)		(85.5)	Direct assignment
Unamortized Contribution in aid	(1.8)		(1.8)	(1.6)		(1.6)	Direct assignment
Unfinished Construction (WIP)	32.8		32.8	65.1		65.1	Direct assignment
Demand Side Management	-		-	-		-	
Sub-total BCTC	\$68.9	\$ -	\$68.9	\$102.1	\$ -	\$102.1	
Total Asset Base	\$2,743.9	\$316.4	\$2,427.5	\$2,896.1	\$317.1	\$2,579.0	
Expenses:							
BCHydro Asset Owner							
Allowed Net Income	\$119.7	\$8.0	\$111.7	\$126.0	\$7.0	\$119.0	BCH ROE x Cost (ROE F2005 13.91%, F2006 13.91%)
Finance Charges	119.7	14.2	105.6	129.1	14.7	114.5	Proportion of Asset Base
Operating, Maintenance & Admin.	89.1	9.1	80.0	4.8	-	4.8	OMA analysis
Corporate Business Sustaining Costs	15.4	1.8	13.6	-	-	-	Proportion of Asset Base
Cost of Market	-	-	-	16.2	1.8	14.4	Direct assignment
Depreciation & Amortization	130.2	21.0	109.2	139.0	22.4	116.6	Direct assignment & asset analysis
DSM	3.1		3.1	3.6		3.6	Direct assignment
Grants & Taxes	89.2	11.1	78.1	90.5	11.3	79.2	Direct assignment & asset analysis
Sub-total BCHydro Asset Owner Expenses	\$566.5	\$65.2	\$501.3	\$509.4	\$57.2	\$452.1	
BCTC							
Net Income	\$3.3		\$3.3	\$3.9		\$3.9	Direct assignment
Finance Charges	1.4		1.4	1.7		1.7	Direct assignment
Operating, Maintenance & Admin.	84.8	\$2.5	82.3	169.9	\$11.8	158.1	OMA analysis
Cost of Market	1.0		1.0	5.8		5.8	Direct assignment
Depreciation & Amortization	18.6		18.6	16.7		16.7	Direct assignment
Grants & Taxes	0.3		0.3	0.3		0.3	Direct assignment
Sub-total BCTC Expenses	\$109.4	\$2.5	\$106.9	\$198.3	\$11.8	\$186.5	
Total Cost per Table 6-1, page 6-7	\$675.9	\$67.7	\$608.1	\$707.6	\$69.0	\$638.6	

Changes to Substation Distribution Asset Charge

(\$ millions)	F2005	F2006	
As filed in Application	\$69.6	\$70.4	
Changes:			
Finance Charges	\$(1.1)	\$(1.1)	Reflects reduction in interest rates and improved exchange rate forecast.
Allowed Net Income	(0.2)	(0.2)	Reflects change in total cost.
Allocation Corrections:			
Asset Retirement Obligation	(0.1)	(0.1)	Relates to transmission lines (submarine cables).
Rights Management	(0.4)		Relates to transmission lines and right-of-ways.
Revised Charge	\$67.7	\$69.0	

2 Reference: BCUC IR #2.186.0.

1 Other Non-WTS Revenues and Cost Recoveries Tables contained in the December 2003
 2 Application have also been updated and are shown below.

3 **Table 6A-7. Other Non-WTS Revenues and Cost Recoveries Tables, F2003 to F2006**

(\$ millions)	F2003 Actual	F2004 Forecast	F2005 Plan	F2006 Plan
Generation Related Transmission Assets	\$37.0	\$43.3	\$43.3	\$43.3
Substation Distribution Asset Management	52.0	52.0	67.7	69.0
Generation Dispatch Services	1.9	1.9	1.1	1.1
Distribution Dispatch Services	4.5	2.6	2.6	2.6
Control Centre Leases <i>(Note 1)</i>	N/A	0.5	1.4	1.5
Aquila General Wheeling Agreement	3.8	3.6	3.8	3.8
Secondary Revenues	3.8	4.3	4.2	4.2
Other Cost Recoveries	2.2	1.1	1.4	1.3
Total Cost Recoveries and Non-WTS Revenue	\$105.2	\$109.3	\$125.5	\$126.9

4

(\$ millions)	F2005		F2006	
	BC Hydro TLob	BCTC	BC Hydro TLob	BCTC
Generation Related Transmission Assets <i>(note 2)</i>	\$43.3	\$ -	\$43.3	\$ -
Substation Distribution Asset Management <i>(notes 2 and 3)</i>	67.7		69.0	
Generation Dispatch Services <i>(note 3)</i>		1.1		1.1
Distribution Dispatch Services <i>(note 3)</i>		2.6		2.6
Control Centre Leases	1.4		1.5	
Aquila General Wheeling Agreement	3.8			3.8
Secondary Revenues	4.2		4.2	
Other Cost Recoveries <i>(note 4)</i>	1.4		1.3	
Total Cost Recoveries and Non-WTS Revenue	\$121.7	\$3.8	\$119.4	\$7.6

5 Reference: Table 6-25, page 6-79 and BCOAPA 1.64.0(a).

6 Notes:

- 7 1. Control Centre Lease eliminates with BC Hydro Transmission as BCTC consolidates with BC Hydro financial accounts in Phase 1.
- 8 2. BCTC is presently proposing to collect the portion of the charges for Generation Related Transmission Assets and Substation
 9 Distribution Asset Management that relate to asset management and maintenance through the Asset Management and
 10 Maintenance Fee charged to BC Hydro. However, in the future this may change and the portion of these recoveries that relate to
 11 asset management and maintenance may be recovered directly from BC Hydro Generation and Distribution.
- 12 3. These cost recoveries are presently under review as part of the Service Level Agreement negotiations between BCTC and BC
 13 Hydro and may change as a result of these negotiations.
- 14 4. Service Level Agreement negotiations and asset transfers are presently under review to move assets from Transmission Line of
 15 Business to another area of BC Hydro. These negotiations and the asset review may affect the revenues in the Other Cost
 16 Recoveries group.
- 17

1 **5 Breakdown of Transmission Revenue Requirement Between**
 2 **BC Hydro and BCTC**

3 Tables 6A-8 and 6A-9, below, show the updated breakdown of Transmission Revenue
 4 Requirements between BC Hydro and BCTC.

5 **Table 6A-8. F2005 Transmission Revenue Requirement (Phase 1)**

For the period F2005 (\$ millions)	BC Hydro - Transmission Asset Owner	BCTC	Elimination for consolidation	Transmission Business
Gross Operations and Maintenance Costs	\$89.1	\$84.9	\$(1.4)	\$172.6
Service Fee to BCTC	105.7	-	(105.7)	-
Cost of Market	-	1.0	-	\$1.0
Depreciation and Amortization	130.2	18.6	-	\$148.8
Allocated 10 % DSM Amortization	3.1	-	-	\$3.1
Grants and Taxes	89.2	0.3	-	\$89.5
Financing Charges	119.7	1.4	-	\$121.1
Gross Transmission Costs	\$537.1	\$106.1	\$(107.1)	\$536.1
Service Fee from BC Hydro	\$0.0	\$(105.6)	\$105.6	\$0.0
Cost Recoveries	(113.8)	(3.7)	1.4	\$(116.0)
Other Non-Tariff Revenues	(8.0)	(0.1)	-	\$(8.1)
Net Transmission Costs	\$415.4	\$(3.3)	\$(0.1)	\$412.0
Allocated BCH Corporate Sustaining Costs	\$15.4	\$0.0	-	\$15.4
Net Income - Return on Equity	119.7	3.3	-	\$123.0
Transmission Revenue Requirement	\$550.4	\$0.0	\$(0.1)	\$550.4

6 Reference: Table 6-26, page 6-81.

1 **Table 6A-9. F2006 Transmission Revenue Requirement (Phase 2)**

For the period F2006 (\$ millions)	BC Hydro - Transmission Asset Owner	BCTC	Elimination for consolidation	Transmission Business
Gross Operations and Maintenance costs	\$4.8	\$169.9	\$ -	\$174.7
Asset Management Fee to BCTC				
Transmission Assets	94.6	0.0	(94.6)	\$0.0
Substation Distribution Assets	11.8	-	(11.8)	-
Generation Related Transmission Assets	10.3	-	(10.3)	-
Cost of Market	-	5.8	-	\$5.8
Depreciation and Amortization	139.0	16.7	-	\$155.8
Allocated 10 % DSM Amortization	3.6	-	-	\$3.6
Grants and Taxes	90.5	0.3	-	\$90.8
Financing Charges	129.1	1.7	-	\$130.8
Gross Transmission Costs	\$483.8	\$194.4	\$(116.7)	\$561.5
Asset Management Fee from BC Hydro	\$ -	(116.7)	116.7	-
Cost Recoveries	(115.1)	(3.7)	-	\$(118.8)
Other Non-Tariff Revenues	(4.2)	(3.9)	-	\$(8.1)
Net Transmission Costs	\$364.5	\$70.1	\$ -	\$434.6
Allocated BCH Corporate Sustaining Costs	\$16.2	\$ -	\$ -	\$16.2
Net Income - Return on Equity	126.0	3.9	-	\$129.9
Transmission Revenue Requirement	\$506.7	\$74.0	\$ -	\$580.7

2 Reference: Table 6-27, page 6-82.

3 The updated breakdown of F2006 Transmission Revenue Requirement between its three
4 components is shown in Table 6A-10 below.

1 **Table 6A-10. F2006 Transmission Revenue Requirement Cost Components**

For the period F2006 (\$ millions)	Total TRR	BC Hydro Owner's Revenue Requirement	BC Hydro Asset Management/ Maintenance Revenue Requirement	Estimated BCTC Revenue Requirement
Gross Operations and Maintenance Costs	\$174.7	\$4.8	\$116.7	\$53.2
Cost of Market	5.8		-	5.8
Depreciation and Amortization	155.8	139.0	-	16.7
Allocated 10 % DSM Amortization	3.6	3.6	-	
Grants and Taxes	90.8	90.5	-	0.3
Financing Charges	130.8	129.1	-	1.7
Gross Transmission Costs	\$561.5	\$367.2	\$116.7	\$77.7
Cost Recoveries	(118.8)	(115.1)	-	(3.7)
Other Non-Tariff Revenues	(8.1)	(4.2)	-	(3.9)
Net Transmission Cost	\$434.6	\$247.8	\$116.7	\$70.1
Allocated BCH Corporate Sustaining Costs	\$16.2	\$16.2	-	
Net Income - Return on Equity	129.9	126.0	-	3.9
Transmission Revenue Requirement	\$580.7	\$390.0	\$116.7	\$74.0

2 Reference: Table 6-28, page 6-83.

3 **The recovery of F2006 Transmission Revenue Requirement from BC Hydro and other**
 4 **WTS customers are shown in Table 6A-11, below.**

1 **Table 6A-11. F2006 Transmission Revenue Requirement by Customer**

(\$ millions)	BC Hydro	Others	Total
Schedule B-3 Cost of Service by Function - Transmission	\$390		\$390
Schedule B-3 Asset Management Fee from BCTC	117		117
Schedule B-3 WTS Charges from BCTC (incl Scheduling and Dispatch) <i>(note 1)</i>	61		61
	\$568		\$568
WTS collected from other Customers (Point-to- Point & Ancilliary Services) <i>(note 2)</i>		\$13	\$13
Total Transmission Revenue Requirement	\$568	\$13	\$581
Notes:			
1. Schedule B-3 WTS Charges from BCTC (incl Scheduling & Dispatch)			\$61
2. WTS collected from other customers (Point-to-Point & Ancillary Services)			13
Estimated BCTC F2006 Revenue Requirement per Table 6A-10			\$74

2 Reference: BCOAPA IR #1.47.0(c).

6 WTS Rates

With the changes in Transmission Revenue Requirements, the allocation of TRR between the Network Integration Transmission Service (NITS) and Point-to-Point Services (PTP) has been updated in Table 6A-12, below. The impact of the Guichon contract deferral is reflected in F2005 Long-Term and Short-Term PTP revenues. Long-term PTP revenues decrease by \$18.7 million, however this is partially offset by an \$8.7 million increase in forecast Short Term PTP revenues. The net reduction of \$10 million in PTP revenues is recovered through NITS.

Table 6A-12. Allocation of the Transmission Revenue Requirement between NITS

(\$ millions)	F2005 Plan	F2006 Plan
Transmission Expenses	\$537.5	\$561.5
BC Hydro Corporate Business Sustaining Cost	15.4	16.2
Allowed Return on Equity	123.0	129.9
	\$675.9	\$707.6
Less Cost Recoveries	\$(117.5)	\$(118.8)
Less Non-WTS External Revenues	(8.1)	(8.1)
	\$(125.5)	\$(126.9)
Transmission Revenue Requirement	\$550.4	\$580.7
Less Point-to-Point & Ancillary Service Revenues		
Long Term Point-to-Point	\$(36.1)	\$(50.5)
Short Term Point-to-Point	(40.2)	(31.5)
Scheduling & Dispatch	(4.0)	(4.0)
Engineering Services	(0.6)	(0.6)
Est. Network Transmission Revenue Requirement	\$469.5	\$494.2

Reference: Table 6-29, page 6-85.

In addition WTS Rates are recalculated for F2005 to show the impacts of changes in the Transmission Revenue Requirement on NITS and PTP rates in Table 6A-13.

1 Table 6A-13. Revised WTS Rates

WTS Rate Calculations - 1997

Network Transmission Rate (RS3000)

Transmission Revenue	\$522,788,594	
Requirement – 1997		
Less Scheduling & Dispatch - 1997	(442,600)	
Less Engineering Services - 1997	(593,200)	
Less PTP \$ (based on PTP sales of 400 MW) – 1997	(22,467,871)	
Network TRR	\$499,284,923	
Monthly Network TRR	\$41,607,077	/mo
Max. Reserve Capacity for GloB for Network Customers	10,204.5	MW

Point-to-Point Transmission Rate (RS3001)

Net TRR (TRR – Scheduling & Dispatch Services)	\$521,752,794	
Max POD/POR Peak	10,204.5	MW
Annual Billing Determinants	122,454,000	kW-Month
	\$4.261	
Add Long Run Incremental Cost	0.420	
Long Term PTP Rate	\$4.681	/kW/mo

WTS Rate Calculations – F2005 Estimate

Network Transmission Rate (RS3000)

Transmission Revenue	\$550,373,000	
Requirement		
Less Scheduling & Dispatch	(4,000,000)	
Less Engineering Services	(550,000)	
Less PTP \$ (76,300,000)	(76,300,000)	
Network TRR	\$469,523,000	
Monthly Network TRR	\$39,126,917	/mo
Max. Reserve Capacity for GloB for Network Customers	11,000.0	MW

Point-to-Point Transmission Rate (RS3001)

Net TRR (TRR – Scheduling & Dispatch Services)	\$545,823,000	
Max POD/POR Peak	11,000.0	MW
Annual Billing Determinants	132,000,000	kW-Month
	\$4.135	
Add Long Run Incremental Cost	0.420	
Long Term PTP Rate	\$4.555	/kW/mo

2 References: BCUC IR #1.74.1 and #1.36.2.