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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-47-02

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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
to Defer and Amortize Foreign Exchange Gains and Losses

BEFORE: P. Ostergaard, Chair)
R.D. Deane, Commissioner) July 11, 2002
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. On June 27, 2002, British Columbia Hydro and Power Authority ("B.C. Hydro") applied to the Commission for approval to continue to defer and amortize foreign exchange gains and losses on the translation of foreign denominated long-term monetary items, contrary to new Generally Accepted Accounting Principles ("GAAP"); and
- B. B.C. Hydro is also requesting that it be allowed to alter its amortization methodology for the fiscal year beginning April 1, 2002 and future periods; and
- C. B.C. Hydro advises that the change in GAAP would create material fluctuations in B.C. Hydro's net income from year to year, creating an environment that is inconsistent with the regulatory goal of providing smooth, stable and predictable rates; and
- D. The Commission has reviewed the application and finds that approval is in the public interest.

NOW THEREFORE the Commission approves the continued deferral and amortization of foreign exchange gains and losses on the translation of foreign denominated long-term monetary items, using the straight-line pooled method, for the fiscal year beginning April 1, 2002 and future periods.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of July 2002.

BY ORDER

Original signed by:

Peter Ostergaard
Chair