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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-57-13

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

**and**

**Application by British Columbia Hydro and Power Authority  
to Add F2013 Rock Bay Remediation Costs to the Rock Bay Remediation Regulatory Account**

**BEFORE:** L.F. Kelsey, Commissioner  
C.A. Brown, Commissioner April 11, 2013  
B.A. Magnan, Commissioner  
D.M. Morton, Commissioner  
R.D. Revel, Commissioner  
C. van Wermeskerken, Commissioner

**O R D E R**

**WHEREAS:**

- A. On March 28, 2013, British Columbia Hydro and Power Authority (BC Hydro) filed an application for approval to add the actual F2013 costs incurred for Rock Bay remediation to the Rock Bay Remediation Regulatory Account (Account), plus interest at BC Hydro's weighted average cost of debt (WACD) for the current fiscal year (Application);
- B. The Account was established pursuant to Order G-75-11 on April 28, 2011. The British Columbia Utilities Commission (Commission) approved the establishment of the Account to record the actual costs incurred for Rock Bay remediation in F2011, plus interest at BC Hydro's WACD, and directed that the Account be carried forward until BC Hydro files an application to request recovery in rates of the Account balance;
- C. BC Hydro's F2012 costs incurred for Rock Bay remediation were approved for inclusion in the Account, plus interest at BC Hydro's WACD, pursuant to Commission Order G-55-12;
- D. BC Hydro submits that costs related to Rock Bay remediation were not included in BC Hydro's F2012 to F2014 Amended Revenue Requirement Application (F12-F14 ARRA) as stated in section 7.5.2 of the F12-F14 ARRA and BC Hydro has not requested a change to BC Hydro rates as part of the Application;

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- E. BC Hydro states that the total costs incurred for Rock Bay remediation for F2013 are forecasted to be approximately \$23.5 million as of the date of the Application and requests approval for inclusion of the actual F2013 costs in the Account;
- F. The Commission has reviewed the Application and considers approval to be reasonable.

**NOW THEREFORE** pursuant to sections 59-61 of the *Utilities Commission Act*, the Commission:

1. Authorizes British Columbia Hydro and Power Authority (BC Hydro) to add to the Rock Bay Remediation Regulatory Account (Account) the actual costs incurred in F2013 for Rock Bay remediation, plus interest at BC Hydro's weighted average cost of debt for the current fiscal year.
2. Directs BC Hydro to apply for recovery in rates of costs in the Account related to the Transport Canada litigation and settlement, including a proposed amortization period for cost recovery, as part of BC Hydro's next revenue requirements application (RRA).
3. Directs BC Hydro to include the following information on the Account as part of its next RRA:
  - a. BC Hydro's best estimate of when it expects to apply for recovery in rates of the Account;
  - b. BC Hydro's best estimate of the expected final balance of the Account once all Rock Bay remediation costs have been incurred and all remediation activities have been completed;
  - c. The status of Rock Bay remediation activities.
4. Makes no determination on the recoverability, through rates, of amounts included in the Account at this time and affirms that all amounts included in the Account may be subject to a prudency review at a future date.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 11<sup>th</sup> day of April 2013.

BY ORDER

*Original signed by:*

D.M. Morton  
Commissioner