



ORDER NUMBER
G-34-16

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority
Application for Approval of Electric Tariff Supplement No. 90
Regarding the Mining Customer Payment Plan

BEFORE:

D. M. Morton, Commissioner
H. G. Harowitz, Commissioner
R. D. Revel, Commissioner

on March 10, 2016

ORDER

WHEREAS:

- A. On March 2, 2016, British Columbia Hydro and Power Authority (BC Hydro) filed an application with the British Columbia Utilities Commission (Commission) for approval of a new supplement (Electric Tariff Supplement No. 90) to BC Hydro's Electric Tariff Supplement No. 5 and approval to establish a regulatory account (the Application). The Application is made pursuant to Order in Council No. 123 dated February 29, 2016 and the Direction to the British Columbia Utilities Commission Respecting Mining Customers (Direction);
- B. The Direction was issued by the Lieutenant Governor in Council and provides direction to the Commission with respect to allowing eligible BC Hydro copper and coal mining customers to defer payment of a portion of their electricity bills in response to the current slowdown in the mining sector due to low commodity prices;
- C. Section 3(1) of the Direction provides the Commission with direction to issue an order within 10 days of the date of BC Hydro's Application so that BC Hydro's Electric Tariff Supplement No. 5 is amended by adding a supplement that will be applied to eligible mining customers (as defined in the Direction) who choose to participate in the Mining Customer Payment Plan. The first business day after the 10 day period is March 14, 2016;
- D. Paragraphs 3(1)(a) to (g) of the Direction specify the required terms of the payment plan BC Hydro is to implement by way of a supplement to Electric Tariff Supplement No. 5, which the Commission is to approve. Among other terms and conditions, participating mining customers will be allowed to defer payment for up to five years the equivalent of 75 percent of the amount that would have been payable by each customer for the first two years of electricity under Rate Schedule 1823;

- E. Section 3(2) of the Direction provides the Commission with direction to allow BC Hydro to establish a regulatory account to defer to future fiscal years specified amounts related to mining customers and the amount due under the payment plan that are impaired;
- F. BC Hydro has developed Electric Tariff Supplement No. 90, included in Appendix D of the Application, to be added to the Electric Tariff Supplement No. 5 Electricity Supply Agreement for eligible mining customers who choose to participate in the Mining Customer Payment Plan. The Application states that Electric Tariff Supplement No. 90 fulfills the requirements specified in paragraphs 3(1)(a) to (g) of the Direction;
- G. The Commission considered the Application and the Direction and determined that approval is warranted; and
- H. Terms used in this order have the meanings given to them in the Direction where applicable.

NOW THEREFORE pursuant to the Direction to the British Columbia Utilities Commission Respecting Mining Customers issued under section 3 of the *Utilities Commission Act*, the Commission orders as follows:

1. The amendment to British Columbia Hydro and Power Authority Electric Tariff Supplement No. 5 to add Electric Tariff Supplement No. 90 is approved, as filed, effective March 14, 2016.
2. British Columbia Hydro and Power Authority is authorized:
 - (a) To establish a regulatory account (the Mining Customer Payment Plan Regulatory Account) to defer to future fiscal years amounts equal to the sum of the following:
 - (i) The account balances of mining customers, if those account balances are impaired;
 - (ii) Any other amounts that are payable to BC Hydro by mining customers before the closing date and that are impaired; and
 - (iii) Any taxes paid by BC Hydro on behalf of mining customers on the account balances referred to in subparagraph (i) and amounts referred to in subparagraph (ii),
 - (b) To reduce the Mining Customer Payment Plan Regulatory Account by an amount collected from an applicable mining customer, and
 - (c) To include in the Mining Customer Payment Plan Regulatory Account interest determined in a fiscal year at a rate equal to BC Hydro's weighted average cost of debt in that fiscal year.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of March 2016.

BY ORDER

Original signed by:

D. M. Morton
Commissioner