



**ORDER NUMBER  
G-115-21**

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

and

British Columbia Hydro and Power Authority  
Request to Rescind Directive Regarding Review De Novo of the Issues and Findings Underlying Directives 17 and  
17A of the BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application Decision

**BEFORE:**

D. M. Morton, Commissioner

on April 19, 2021

**ORDER**

**WHEREAS:**

- A. On February 25, 2019, the British Columbia Hydro and Power Authority (BC Hydro) filed its Fiscal 2020 to Fiscal 2021 Revenue Requirements Application (F2020–F2021 RRA) with the British Columbia Utilities Commission (BCUC) pursuant to sections 44.2, 58 to 61 and 99 of the *Utilities Commission Act* (UCA);
- B. On October 2, 2020, the BCUC issued Order G-246-20 and the accompanying decision in the matter of the F2020–F2021 RRA (RRA Decision). In the RRA Decision, the BCUC issued, among other things, the following Directives, which state:
  - 1. “Therefore, the Panel directs that no actual Powerex net income be captured in the Trade Income Deferral Account absent further review and approval by the BCUC” (Directive 17);
  - 2. “Therefore, in its next RRA, BC Hydro is required to file, in confidence if necessary, a summary of Powerex’s net income, in sufficient detail to enable the BCUC to determine whether any amount of actual Powerex net income is appropriate for inclusion in the Trade Income Deferral Account” (Directive 17A);
- C. On December 1, 2020, BC Hydro filed an application for reconsideration and variance of Directives 17 and 17A in the RRA Decision (Reconsideration Application);
- D. After a public hearing process, on January 12, 2021, by Order G-9-21, the BCUC rescinded Directives 17 and 17A of the RRA Decision and granted a *de novo* hearing of the issues and findings underlying these directives to be held separate from the Fiscal 2023 RRA proceeding;
- E. On January 28, 2021, by Order G-32-21, the BCUC ordered BC Hydro to file an application with the BCUC to review *de novo* the issues and findings underlying Directives 17 and 17A of the RRA Decision by no later than May 31, 2021;

- F. On March 22, 2021, the Government of British Columbia deposited Order in Council (OIC) No. 172, which amends Direction No. 8 to the BCUC to, among other things, provide a definition for trade income and states, in part:
- “In setting rates for the authority for a fiscal year, the commission must subtract from the costs to be recovered in rates an amount equal to the net incomes, for the fiscal year, of Powerex Corp. and Powertech Labs Inc.
  - For the purposes of subsection (3), (a) the net income of Powerex Corp. for the fiscal year is the amount equal to the trade income forecast by the authority for that fiscal year,”
- G. By letter dated April 1, 2021, BC Hydro requests, in light of OIC No. 172, an order from the BCUC confirming that the application contemplated by Order G-32-21 is no longer required since the amendments resolve the issues and findings underlying Directives 17 and 17A by providing specific direction with regard to the treatment of Powerex’s net income for regulatory purposes; and
- H. The BCUC has reviewed OIC No. 172 and BC Hydro’s request dated April 1, 2021 and finds that the application contemplated by Order G-32-21 is no longer warranted.

**NOW THEREFORE** pursuant to section 99 of the UCA, the BCUC orders the directive in Order G-32-21, for BC Hydro to file an application with the BCUC by May 31, 2021 to review *de novo* the issues and findings underlying Directives 17 and 17A of the RRA Decision, rescinded.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 19<sup>th</sup> day of April 2021.

BY ORDER

*Original signed by:*

D. M. Morton  
Commissioner