



**ORDER NUMBER  
G-213-21**

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

and

Kyuquot Power Ltd.  
Revenue Requirements Application

**BEFORE:**  
K. A. Keilty, Panel Chair

on July 12, 2021

**ORDER**

**WHEREAS:**

- A. On November 30, 2020, Kyuquot Power Ltd. (KPL) filed an application with the British Columbia Utilities Commission (BCUC) for approval of amendments to its revenue requirements along with certain rate matters and its proposals were supplemented with additional information and requests during the proceeding (Application);
- B. In the Application, KPL requests, among other things, approval for the following:
  - 1. Depreciation rates;
  - 2. The establishment of a new asset category named Deferred Depreciation Asset;
  - 3. The setting of an annual amortization of the Deferred Depreciation Asset in a fixed dollar amount;
  - 4. The establishment of a new asset category named Long Term Maintenance Asset (LTM);
  - 5. The setting of an annual depreciation rate on the LTM Asset of 15 percent straight-line;
  - 6. An increase of \$1.00 per month to the Basic Charge under Rate Schedules 1101 and 1102; and
  - 7. An increase of \$0.036 per kWh to the Energy Charge under Rate Schedule 1102;
- C. By Orders G-2-21 and G-102-21 dated January 5, 2021 and April 6, 2021 respectively, the BCUC established the regulatory timetable for the review of the Application, which included, among other things, BCUC information requests, request for letters of comment on KPL's Application, and KPL's final argument; and
- D. The BCUC has reviewed the Application, evidence, and arguments filed in the proceeding and finds that the following approvals are warranted.

**NOW THEREFORE** pursuant to sections 56, and 58 to 61 of the *Utilities Commission Act* and the Decision issued concurrently with this order, the BCUC orders as follows:

1. KPL is granted the following approvals, effective the date of this Decision:
  - a. Distribution Plant depreciation rates as follows:
    - i. Overhead Line – 2.222 percent per year Straight Line;
    - ii. Submarine Cable – 3.125 percent per year Straight Line;
    - iii. Distribution Line – 2.5 percent per year Straight Line;
    - iv. Meters – 4 percent per year Straight Line;
    - v. Transformers – 2.5 percent per year Straight Line;
    - vi. KCFN Contribution In Aid of Construction (CIAC) for overhead powerlines – 2.408 percent per year Straight Line;
    - vii. KCFN CIAC for submarine cables – 3.507 percent per year Straight Line; and
    - viii. KCFN CIAC for distribution lines – 2.738 percent per year Straight Line;
  - b. The establishment of the Deferred Depreciation regulatory account, the recognition of \$454,556 in deferred depreciation in the account, and a four percent annual amortization rate. The rate base regulatory account is approved to attract interest based on KPL's Weighted Average Cost of Capital (WACC);
  - c. The establishment of the Long Term Maintenance Asset (LTM) regulatory account to capture actual LTM costs incurred related to the BCUC directed powerline maintenance and vegetation management plans and a 15 percent annual amortization rate. The rate base regulatory account is approved to attract interest based on KPL's WACC; and
  - d. A \$9.00 per month Basic Charge for Rate Schedules 1101 and 1102.
2. KPL is directed to set the following Energy Charges:
  - a. A Rate Schedule 1101 Energy Charge of \$0.4026 per kWh, an increase of \$0.0056 per kWh or 1.4 percent over the current Energy Charge; and
  - b. A Rate Schedule 1102 Energy Charge of \$0.2270 per kWh, an increase of \$0.034 per kWh or 17.6 percent over the current Energy Charge.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 12<sup>th</sup> day of July 2021.

BY ORDER

*Original signed by:*

K. A. Keilty  
Commissioner