



ORDER NUMBER
G-299-21

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

and

British Columbia Hydro and Power Authority
Application for Mandatory Reliability Standards Costs Regulatory Account for Fiscal 2022

BEFORE:

R. I. Mason, Panel Chair
D. M. Morton, Commissioner

on October 15, 2021

ORDER

WHEREAS:

- A. On August 31, 2021, the British Columbia Hydro and Power Authority (BC Hydro) filed an application with the British Columbia Utilities Commission (BCUC) seeking approval of the following:
- (i) Establishment of a new regulatory account referred to as the “Mandatory Reliability Standards Costs Regulatory Account” (MRS Account) for unplanned costs, estimated at \$15.9 million, in Fiscal 2022 (F2022) related to achieving and maintaining compliance with Mandatory Reliability Standards (MRS) and the implementation of new MRS;
 - (ii) Apply interest to the balance of the MRS account based on BC Hydro’s current weighted average cost of debt;
 - (iii) Recovery of the forecast interest charged to the MRS Account, attributable to F2022 costs deferred, each year from the account, effective fiscal 2023; and
 - (iv) Recovery of the F2022 forecast ending balance at the end of the test period over the next test period, until such time that the actual amounts deferred to the account for F2022 are recovered in rates, effective fiscal 2023 (altogether, the Application);
- B. By Decision and Order G-187-21 dated June 17, 2021, the BCUC concluded BC Hydro’s Fiscal 2022 Revenue Requirements proceeding (BC Hydro F2022 RRA Proceeding) and found, among other things, the increase of \$21.7 million in BC Hydro’s F2022 budget for MRS, including Critical Infrastructure Protection standards, was reasonable. The BCUC also agreed that certain sensitive cyber security information ought to remain confidential due to the risk of inadvertent disclosure and potential harm to BC Hydro, its ratepayers and the public;
- C. In the Application, BC Hydro also requests that a confidential appendix containing information on various unplanned activities related to MRS, along with their related costs, is made available only to the BCUC (Appendix A). BC Hydro states that information related to the protection of cyber infrastructure is highly

security-sensitive and the release of this information to the public could compromise the safety and reliability of the Bulk Electric System (BES). Additionally, BC Hydro states that under the BCUC MRS Rules of Procedure, including the Compliance Monitoring Program and Penalty Guidelines, there remains a presumption of confidentiality over certain information, especially where the subject matter relates to a cyber security incident or may otherwise jeopardize the security of the BES;

- D. By Order G-287-21 dated October 1, 2021, the BCUC issued a regulatory timetable ordering a confidential and transcribed *in camera* session for the review of the confidentiality of Appendix A of the Application. On October 7, 2021, the *in camera* session was held with the Panel, BCUC staff and legal counsel, along with BC Hydro staff and legal counsel; and
- E. The BCUC has determined that the establishment of a further regulatory timetable is warranted for the review of the Application.

NOW THEREFORE the BCUC orders as follows:

- 1. BC Hydro's request to keep Appendix A of the Application confidential is granted.
- 2. A public hearing for the review of the Application is established, in accordance with the regulatory timetable as set out in Appendix A to this order.
- 3. BC Hydro must provide a copy of this order within three business days of its issuance, electronically where possible, to all registered interveners who participated in the BC Hydro F2022 RRA Proceeding.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of October 2021.

BY ORDER

Original signed by:

R. I. Mason
Commissioner

Attachment

British Columbia Hydro and Power Authority
Application for Mandatory Reliability Standards Costs Regulatory Account for Fiscal 2022

REGULATORY TIMETABLE

| Action | Date (2021) |
|---|-----------------------|
| BC Hydro notice to Interveners in the BC Hydro F2022 RRA Proceeding | Wednesday, October 20 |
| BCUC Information Request (IR) No. 1 to BC Hydro | Friday, November 5 |
| BC Hydro response to BCUC IR No. 1 | Friday, November 12 |
| Letters of comment deadline | Friday, November 19 |
| BC Hydro responses to letters of comment | Friday, November 26 |
| Further process | To be determined |