



**ORDER NUMBER
G-111-23**

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

and

British Columbia Hydro and Power Authority
Fiscal 2023 to Fiscal 2025 Revenue Requirements Application

BEFORE:

D. M. Morton, Panel Chair
A. K. Fung, KC, Commissioner
R. I. Mason, Commissioner
A. Pape-Salmon, Commissioner

On May 9, 2023

ORDER

WHEREAS:

- A. On August 31, 2021, the British Columbia Hydro and Power Authority (BC Hydro) filed its Fiscal 2023 to Fiscal 2025 Revenue Requirements Application (Application) with the British Columbia Utilities Commission (BCUC) pursuant to sections 44.2, and 58 to 61 of the *Utilities Commission Act* requesting, among other things, interim and, after certain future determinations in other proceedings, permanent approval of the following:
- (i) Increase in rates by 0.62 percent, effective April 1, 2022, by 0.97 percent, effective April 1, 2023 and by 2.18 percent, effective April 1, 2024; and
 - (ii) The fiscal 2023, fiscal 2024, and fiscal 2025 Open Access Transmission Tariff rates as set out in Table 9-4 of the Application;
- B. In the Application, BC Hydro also requested to set the Deferral Account Rate Rider on an interim and permanent basis at (2.0) percent, effective April 1, 2022 for fiscal 2023; and, on a permanent basis at (1.0) percent, effective April 1, 2023 for fiscal 2024 and (0.5) percent, effective April 1, 2024 for fiscal 2025;
- C. By Order G-66-23 the BCUC reopened the evidentiary record of this proceeding to accommodate Panel information requests (IRs) regarding BC Hydro's finance charges;
- D. By Order G-74-23 the BCUC established a further regulatory timetable to allow for parties' submissions regarding BC Hydro's request to reinstate a \$320 million regulatory liability in the Trade Income Deferral Account (TIDA);
- E. By Order G-90-23 the BCUC established a further regulatory timetable to allow for additional Panel IRs regarding BC Hydro's finance charges;

- F. On April 21, 2023, the BCUC issued its Decision to the Application and accompanying Order G-91-23 (Decision), which made directions regarding the recovery mechanism for the TIDA. The Decision also noted that the review of BC Hydro's request to reinstate a \$320 million regulatory liability in the TIDA and BC Hydro's finance charges is currently ongoing; and
- G. The BCUC determines that the establishment of a further regulatory timetable is warranted to allow for final arguments on BC Hydro's request to reinstate a \$320 million regulatory liability in the TIDA and BC Hydro's finance charges.

NOW THEREFORE the BCUC establishes a further regulatory timetable, as set out in Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of May 2023.

BY ORDER

Original signed by:

D. M. Morton
Commissioner

Attachments

British Columbia Hydro and Power Authority
F2023 to F2025 Revenue Requirements Application

REGULATORY TIMETABLE

Action	Date (2023)
BC Hydro Final Argument as set out in Appendix B to Order G-111-23	Tuesday, May 16
Intervener Final Arguments as set out in Appendix B to Order G-111-23	Wednesday, May 24
BC Hydro Reply Argument	Wednesday, May 31
Final Participant Assistance/Cost Award Applications	Wednesday, May 31

British Columbia Hydro and Power Authority
F2023 to F2025 Revenue Requirements Application

SUBMISSIONS AND PACA APPLICATIONS

In the BCUC's Decision to BC Hydro's Fiscal 2023 to Fiscal 2025 Revenue Requirements Application dated April 21, 2023 (Decision), the Panel noted that the review of the following two topics is currently ongoing:¹

1. BC Hydro's request to reinstate a \$320 million regulatory liability in the Trade Income Deferral Account (TIDA); and
2. BC Hydro's finance charges.

Reinstatement of a \$320 million regulatory liability in the TIDA

In the Decision, the Panel made directions regarding the recovery mechanism for the TIDA, which included directions to BC Hydro to, commencing in fiscal 2025, recover or repay the TIDA balance from/to customers via the Trade Income Rate Rider (TIRR) instead of the Deferral Account Rate Rider and to set the TIRR annually based on the most recently available actual results at that time.²

Prior to the issuance of the Decision, in accordance with Order G-74-23, parties provided submissions on BC Hydro's request to reinstate a \$320 million regulatory liability in the TIDA and the mechanism and timing to refund the reinstated amount.

With consideration of the directions in the Decision, the Panel invites parties to confirm whether their earlier submissions on this matter remain unchanged or to provide new submissions regarding BC Hydro's request to reinstate a \$320 million regulatory liability in the TIDA.

Finance Charges

In Exhibits B-55 and B-57, BC Hydro provided its responses to Panel information requests regarding its finance charges.

The Panel invites parties to provide submissions on BC Hydro's finance charges, including:

- i) The appropriate method for determining debt costs that are recoverable from ratepayers, including whether this should be based on forecast actual debt costs, cost of debt based on deemed debt of 70 percent of rate base (and if so, what is the appropriate weighted average cost of debt rate), or some other approach;
- ii) Whether Direction No. 8 to the BCUC, or any other regulation or direction, precludes the BCUC from setting debt costs as an amount other than the forecast of actual debt costs; and
- iii) Whether the scope of the Total Finance Charges Regulatory Account should be adjusted and if so, how and why.

The Panel invites BC Hydro to provide its submissions in its final argument on the two topics above by **Tuesday, May 16, 2023**, interveners to provide their respective submissions in their final arguments by **Wednesday, May 24, 2023**, and BC Hydro to provide its reply argument by **Wednesday, May 31, 2023**.

¹ BCUC Decision to BC Hydro F2023 to F2025 RRA, dated April 21, 2023, p. 3.

² Ibid, p. 280.

Participant Assistance/Cost Award Applications

The Panel reminds participants that Participant Assistance/Cost Award (PACA) applications will be considered under the PACA Guidelines approved by Order G-97-17. Section 14.2.2 of the PACA Guidelines states:

A final application for a cost award must be made within 30 calendar days following the last date in the proceeding's final regulatory timetable or at such other time as the Commission directs. For clarity, the last date is commonly the close of final argument or final submissions.

Considering that the Decision has been issued, except for the determinations on the two topics mentioned above, and to facilitate a timely and efficient review of the PACA applications, the Panel sets a filing deadline for final PACA applications of **Wednesday, May 31, 2023**.