



**ORDER NUMBER  
G-53-24**

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

and

Kyuquot Power Ltd.  
2024 Revenue Requirements

**BEFORE:**

C. M. Brewer, Panel Chair  
B. A. Magnan, Commissioner

on February 29, 2024

**ORDER**

**WHEREAS:**

- A. On June 12, 2023, Kyuquot Power Ltd. (KPL) filed with the British Columbia Utilities Commission (BCUC) an application for approval to amend its electric tariff rate schedules and for other related rate matters (Application);
- B. KPL operates a 14.4 kilovolt single phase distribution line in the area extending from British Columbia Hydro and Power Authority's electrical grid at Oclucje to Kyuquot, serving customers principally in and around Fair Harbour, Chamiss Bay and Kyuquot. Commercial and residential customers are served under Tariff Rate Schedule (RS) 1101 and the Ka:yu:'k't'h' / Che:k'tles7et'h' First Nations is served under RS 1102;
- C. On June 30, 2023, KPL filed an updated submission and errata to its Application with a correction to the calculation of the contribution in aid of construction differential and an updated electric load forecast;
- D. By Orders G-206-23, G-243-23 and G-288-23, the BCUC established the regulatory timetable for the review of the Application, which included one round of BCUC and intervener information requests (IRs), Panel IRs to KPL, and final and reply arguments;
- E. On November 7, 2023, KPL filed its response to Panel IRs, clarifying its request for approval of the following rate changes based on KPL's forecast cost of service or revenue requirement (Revenue Requirement) for the period from July 1, 2023 to June 30, 2024, as amended, to be effective on the date of the BCUC's final decision on the Application, among other matters:
  - (i) An increase of \$0.70 per month from \$9.00 per month to \$9.70 per month to the Basic Charge under RS 1101 and RS 1102;
  - (ii) An increase of \$0.0323 per kilowatt hour (kWh) from \$0.4026 per kWh to \$0.4349 per kWh to the Energy Charge under RS 1101;

- (iii) An increase of \$0.0279 per kWh from \$0.2270 per kWh to \$0.2549 per kWh to the Energy Charge under RS 1102; and
  - (iv) The establishment of a new rate base Reliability Hearing Regulatory Account with a 10 percent straight-line annual amortization rate, earning KPL's weighted average cost of capital;
- F. The BCUC has reviewed the Application, evidence and arguments filed by all parties in the proceeding and makes the following determinations.

**NOW THEREFORE** pursuant to sections 58 to 61 of the *Utilities Commission Act* and for the reasons provided in the decision issued concurrently with this order, the BCUC orders as follows:

1. KPL is approved the following charges, on an interim and refundable basis, pending the outcomes of Stage 2 of the BCUC's current generic cost of capital proceeding and KPL's filing of the agreement(s) for the Intercompany Advance in Directive 4:
  - a. A Basic Charge of \$9.70 per month for RS 1101 and 1102, which is an increase of \$0.70 per month over the current Basic Charges;
  - b. An RS 1101 Energy Charge of \$0.4349 per kWh to be adjusted in accordance with all directives and determinations set out in Section 2.0 of the Decision; and
  - c. An RS 1102 Energy Charge of \$0.2549 per kWh to be adjusted in accordance with all directives and determinations set out in Section 2.0 of the Decision.
2. KPL is approved to establish a Rate Base Reliability Hearing Regulatory Account to include legal costs of the Safety and Reliability Hearing in the amount of \$173,465 plus applicable taxes. The account is approved to attract interest based on KPL's weighted average cost of capital and to be amortized on a straight-line basis over 10 years.
3. KPL is directed to recalculate the Revenue Requirement and rates for the 2024 Test Year using a deemed equity component of 40 percent and an allowed ROE of 9.50 percent, as directed in Section 2.3 of the Decision.
4. KPL is directed to file for BCUC review, within 15 days of the date of this order, the agreement for the Intercompany Advance transaction undertaken in fiscal 2020/21.
5. KPL is directed to recalculate the Revenue Requirement and rates for the 2024 Test Year using a deemed debt component of 60 percent and interest rate of return of 5.00 percent, as directed in Section 2.3 of the Decision.
6. KPL is directed to file for endorsement, within 15 days of the date of the BCUC's decision on the Intercompany Advance, amended tariff pages and finalized financial schedules reflecting that decision and all directives and determinations made in this Decision, for interim rates to be effective the first of the month following the receipt of the endorsed tariff pages.
7. KPL must comply with all other terms and directives in the decision issued concurrently with this order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 29<sup>th</sup> day of February 2024.

BY ORDER

*Original signed by:*

C. M. Brewer  
Commissioner