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## ORDER NUMBER G-61-24

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

and

British Columbia Hydro and Power Authority
Fiscal 2025 Residential Inclining Block Rate Pricing Principles Application

## **BEFORE:**

M. Jaccard, Commissioner

on March 8, 2024

## **ORDER**

## **WHEREAS:**

- A. On February 27, 2024, British Columbia Hydro and Power Authority (BC Hydro) filed with the British Columbia Utilities Commission (BCUC) an application for approval to extend the fiscal 2024 pricing principles for Rate Schedule 1101, 1121 (collectively, RS 1101) to fiscal 2025 (Application). This would result in the fiscal 2025 general rate increase approved by the BCUC decision on BC Hydro's Fiscal 2023 to Fiscal 2025 Revenue Requirements Application (RRA) described in Recital C (F2025 RRA Rate Increase) being applied to the three RS 1101 charges as follows:
  - Basic Charge: Apply the F2025 RRA Rate Increase;
  - Step 2 Energy Charge: Hold the Step 2 Energy Charge constant at its current level of 14.08 cents per kilowatt hour (kWh); and
  - Step 1 Energy Charge: Apply the rate increase necessary so that, on a forecast basis, BC Hydro will
    earn the same revenue in fiscal 2025 from its RS 1101 customers as if the F2025 RRA Rate Increase
    had been applied equally to all three charges of RS 1101;
- B. In the Application, BC Hydro explains that the fiscal 2024 pricing principles, as directed by Decision and Order G-140-23 dated June 13, 2023, should be extended to fiscal 2025 because the circumstances that informed the BCUC's decision have not changed. Decision and Order G-140-23 also directed BC Hydro to file, by June 30, 2024, an application for changes to the current RS 1101 rate design as determined in the decision issued concurrently with that order;
- C. By Decision and Order G-154-23 dated June 19, 2023, the BCUC issued its decision on BC Hydro's Fiscal 2023 to Fiscal 2025 RRA proceeding and approved on a permanent basis, among other matters, the F2025 RRA Rate Increase, effective April 1, 2024, subject to final adjustments. After final adjustments, the F2025 RRA Rate Increase is 6.42 percent;

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- D. By Decision and Order G-43-24 dated February 20, 2024, the BCUC approved a Deferral Account Rate Rider of (2.5) percent and a Trade Income Rate Rider of (2.3) percent for fiscal 2025, effective April 1, 2024. The order also directed BC Hydro to file for endorsement with the BCUC, updated rate schedules for fiscal 2025 within 30 days of the date of that order;
- E. On February 22, 2024, the BC Government announced the BC Electricity Affordability Credit which is expected to provide, among other things, a consumption-based credit averaging \$100 to each BC Hydro Residential customer to be applied in installments on bills issued for service in fiscal 2025;
- F. In the Application, BC Hydro states that all customers are expected to have bill decreases in fiscal 2025 relative to fiscal 2024 after accounting for the proposed fiscal 2025 pricing principles; the approved F2025 RRA Rate Increase, Deferral Account Rate Rider and Trade Income Rate Rider; and the BC Electricity Affordability Credit; and
- G. The BCUC has reviewed the Application and determines that approval of the proposed fiscal 2025 pricing principles on a permanent basis is warranted.

**NOW THEREFORE** pursuant to sections 58 to 61 of the *Utilities Commission Act*, the BCUC orders as follows:

- 1. BC Hydro is approved to apply the F2025 RRA Rate Increase to RS 1101 as follows, on a permanent basis, effective April 1, 2024:
  - Basic Charge: Apply the F2025 RRA Rate Increase;
  - Step 2 Energy Charge: Hold the Step 2 Energy Charge constant at its current level of 14.08 cents per kWh; and
  - Step 1 Energy Charge: Apply the rate increase necessary so that, on a forecast basis, BC Hydro will earn the same revenue in fiscal 2025 from its RS 1101 customers as if the F2025 RRA Rate Increase had been applied equally to all three charges of RS 1101.
- 2. BC Hydro is directed to file an updated RS 1101 reflecting the approved fiscal 2025 pricing principles and the F2025 RRA Rate Increase approved on a permanent basis by Order G-154-23 as part of the updated rate schedules for fiscal 2025 that the BCUC has directed BC Hydro to file for BCUC endorsement pursuant to Order G-43-24.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 8<sup>th</sup> day of March 2024.

BY ORDER

Original signed by:

M. Jaccard Commissioner

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