



**ORDER NUMBER
G-201-24**

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

and

British Columbia Hydro and Power Authority
Request to Rescind Directive in the Decision to
Order G-91-23 as Amended by Order G-84-24
to File Cost of Capital Application

BEFORE:

B. A. Magnan, Commissioner
W. E. Royle, Commissioner
E. B. Lockhart, Commissioner

on July 25, 2024

ORDER

WHEREAS:

- A. On July 16, 2024, British Columbia Hydro and Power Authority (BC Hydro) applied to the British Columbia Utilities Commission (BCUC), requesting that the BCUC rescind the directive on page 10 of the Decision issued concurrently with Order G-91-23, as amended by Order G-84-24, for BC Hydro to file a cost of capital application, following the issuance of Order in Council (OIC) No. 485 (Application);
- B. On April 21, 2023, the BCUC issued Order G-91-23 regarding BC Hydro's Fiscal 2023 to Fiscal 2025 Revenue Requirements Application (RRA). On page 10 of the Decision issued concurrently with Order G-91-23, the BCUC directed BC Hydro to file a cost of capital application, effective April 1, 2025, by no later than April 1, 2024;
- C. By Order G-84-24 dated March 21, 2024, the BCUC approved BC Hydro's extension request to amend the deadline for BC Hydro to file its cost of capital application from April 1, 2024 to August 31, 2024;
- D. On July 15, 2024, the Province of British Columbia issued OIC No. 485, amending section 3 of Direction No. 8 to the BCUC, B.C. Reg. 24/2019, which relates to BC Hydro's distributable surplus (i.e., allowed net income), to add fiscal years 2026 and 2027. Section 3 of Directive No. 8 now states:

"In regulating and setting rates for the authority for F2020, F2021, F2022, F2023, F2024, F2025, F2026 and F2027, the commission must ensure that those rates allow the authority to collect sufficient revenue in each fiscal year to enable the authority to achieve an annual rate of return on deemed equity that would yield a distributable surplus of \$712 million."

- E. The BCUC has reviewed the Application and determines that the following directives are warranted.

NOW THEREFORE pursuant to section 99 of the *Utilities Commission Act*, the BCUC orders as follows:

1. The BCUC rescinds the directive to BC Hydro from page 10 of the Decision issued concurrently with Order G-91-23, as amended by Order G-84-24, requiring BC Hydro to file a cost of capital application by August 31, 2024.
2. BC Hydro must provide, as part of its next RRA, a proposal for process regarding how BC Hydro's cost of capital should be set for the period beginning fiscal year 2028.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of July 2024.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner