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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-55-12**

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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**An Application by British Columbia Hydro and Power Authority
to Add F2012 Rock Bay Remediation Costs to the Rock Bay Remediation Regulatory Account**

BEFORE: L.F. Kelsey, Commissioner
D.M. Morton, Commissioner May 3, 2012
C.A. Brown, Commissioner
R.D. Revel, Commissioner

ORDER

WHEREAS:

- A. On March 11, 2011, British Columbia Hydro and Power Authority (BC Hydro) applied to the British Columbia Utilities Commission (Commission) to request approval of a Rock Bay Remediation Regulatory Account and to record in that account actual F2011 remediation costs. BC Hydro also indicated that it would submit an application to the Commission each year for approval to add to the regulatory account the actual costs incurred in that year for Rock Bay remediation;
- B. On April 28, 2011, the Commission issued Order G-75-11 authorizing the establishment of the Rock Bay Remediation Regulatory Account to record the actual costs incurred for Rock Bay remediation in F2011, and authorizing that the account be carried forward until BC Hydro files an application to request recovery in rates of the account balance;
- C. On March 30, 2012, pursuant to the *Utilities Commission Act* (the Act), BC Hydro filed an application for approval to add to the Rock Bay Remediation Regulatory Account the actual costs incurred in F2012 for Rock Bay remediation, plus interest at BC Hydro's weighted average cost of debt (WACD) for the current fiscal year (the Application);
- D. BC Hydro advised that costs related to Rock Bay remediation were not included in BC Hydro's F2012 to F2014 Amended Revenue Requirement Application (F12-F14 ARRA) as stated in section 7.5.2 of the F12-F14 ARRA and BC Hydro has not requested a change to BC Hydro rates as part of the Application;
- E. In the Application, BC Hydro advised that the total costs incurred for Rock Bay remediation for F2012 are forecasted to be about \$1.73 million as of the date of the Application and requests approval for inclusion of these costs in the Rock Bay Remediation Regulatory Account;

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- F. Also in the Application, BC Hydro requests approval to change the calculation of the interest on the remediation costs from using the most recent fiscal year to the current fiscal year;
- G. The Commission has reviewed the Application and considers that approval is warranted.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to sections 59-61 of the Act, BC Hydro is authorized to add to the Rock Bay Remediation Regulatory Account the actual costs incurred in F2012 in connection with Rock Bay remediation, as described in the Application.
2. The Commission makes no determination regarding BC Hydro's request to change the WACD calculation to be based on the current fiscal year. This issue will be decided as part of BC Hydro's F12-F14 ARRA.
3. The Commission makes no determination on the recoverability, through rates, of amounts included in the Rock Bay Remediation Regulatory Account at this time and all amounts included in this account may be subject to a prudency review at a future date.
4. BC Hydro shall provide an update of the status of the Rock Bay Remediation within its next revenue requirements application.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of May 2012.

BY ORDER

Original signed by

D.M. Morton
Commissioner