



ORDER NUMBER
G-300-23

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

and

British Columbia Hydro and Power Authority
Application for Approval to Set the Fiscal 2025 Deferral Account Rate Rider and Trade Income Rate Rider and
Reconsideration Related to the Trade Income Rate Rider

BEFORE:

M. Jaccard, Commissioner

on November 3, 2023

ORDER

WHEREAS:

- A. On October 30, 2023, British Columbia Hydro and Power Authority (BC Hydro) filed an application with the British Columbia Utilities Commission (BCUC) pursuant to Directives 77 and 79 of the Fiscal 2023 to Fiscal 2025 Revenue Requirements Application (RRA) Decision and Order G-91-23 (Application). In the Application, BC Hydro seeks the following:
- i. Approval to recover the balances in the Cost of Energy Variances Accounts through the Deferral Account Rate Rider (DARR) using the DARR table mechanism and set the DARR at (2.5) percent for fiscal 2025;
 - ii. Leave to apply to reconsider Directive 77, and an order varying Directive 77 to set the Trade Income Rate Rider (TIRR) at (2.3) percent on customer bills for fiscal 2025 with the remainder of the TIRR balance that would otherwise have been refunded on customer bills in fiscal 2025 pursuant to Directive 77 being deferred to a new Rate Smoothing Regulatory Account; and
 - iii. Approval to establish a new Rate Smoothing Regulatory Account to:
 - Capture the remainder of the TIRR balance that would otherwise have been refunded on customer bills in fiscal 2025 pursuant to Directive 77; and
 - Apply interest to the balance of the account based on BC Hydro's current weighted average cost of debt;
- B. Directive 77 of Decision and Order G-91-23 directed BC Hydro, commencing in fiscal 2025, to:
- Recover the Test Period Trade Income forecast from a rate rider rather than through the general revenue requirement (i.e. a Trade Income Rate Rider or TIRR);
 - Recover or repay the Trade Income Deferral Account (TIDA) balance from/to customers via the TIRR, instead of the DARR, over a 3-year amortization period, and limit the amortization of a deficit in the TIDA balance to the amount of forecast Trade Income that year. As a result, the TIRR will not be less than zero;

- Set the TIRR annually at the beginning of each fiscal year based on the most recently available actual results; and
 - File for approval of the TIRR annually in a filing separate from its RRA filings;
- C. Directive 79 of Decision and Order G-91-23 directed BC Hydro, commencing in fiscal 2025, to:
- Set the DARR annually, using BC Hydro's proposed DARR table mechanism, at the beginning of each fiscal year, based on the most recently available actual net Cost of Energy Variance Account balances without the TIDA balance. For example, commencing April 1, 2024, set the DARR based on the actual ending F2023 balances, with the same process to follow for each subsequent fiscal year; and
 - File for approval of the DARR annually in a filing separate from its RRA filings;
- D. In the Application, BC Hydro states that the issuance of a final BCUC decision on the Application by February 29, 2024 would enable customer bills to be updated in time for fiscal 2025 and therefore it requests permission to file for reconsideration of Directive 77 and an order varying Directive 77 to set the TIRR at (2.3) percent for fiscal 2025. BC Hydro states that its request for reconsideration and variance of Directive 77 is on the basis of new information, a material change in circumstances and just cause;
- E. In the cover letter to the Application, BC Hydro proposes a regulatory process for the review of the Application. On October 31, 2023, BC Hydro provided a copy of the Application to all registered interveners in the BC Hydro Fiscal 2023 to Fiscal 2025 RRA proceeding; and
- F. The BCUC has reviewed the Application and considers that the establishment of a regulatory timetable, including a written comment process, is warranted.

NOW THEREFORE the BCUC orders as follows:

1. BC Hydro's request for permission to apply for reconsideration of Directive 77 of Order G-91-23 is approved and the Panel determines that the request for reconsideration should proceed to a hearing.
2. The regulatory timetable for the review of the Application is established, as set out in Appendix A to this order.
3. BC Hydro is directed to make the Application available on its website and to provide a copy of this order to all registered interveners in the BC Hydro Fiscal 2023 to Fiscal 2025 RRA proceeding by Tuesday, November 7, 2023.
4. BC Hydro is directed to provide confirmation to the BCUC that it has complied with Directive 3 of this order by Wednesday, November 8, 2023.

DATED at the City of Vancouver, in the Province of British Columbia, this 3rd day of November 2023.

BY ORDER

Original signed by:

M. Jaccard
Commissioner

Attachment

British Columbia Hydro and Power Authority
Application for Approval to Set the Fiscal 2025 Deferral Account Rate Rider and Trade Income Rate Rider and
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REGULATORY TIMETABLE

Action	Date
BC Hydro makes the Application available on its website and provides a copy of Order G-300-23 to all registered interveners in the BC Hydro F2023 to F2025 RRA proceeding	Tuesday, November 7, 2023
BC Hydro provides confirmation of compliance with public notice requirements	Wednesday, November 8, 2023
BCUC Information Request (IR) No. 1 to BC Hydro	Tuesday, November 21, 2023
BC Hydro responses to BCUC IR No. 1	Thursday, December 21, 2023
Letters of comment deadline	Tuesday, January 16, 2024
BC Hydro reply submission	Thursday, February 1, 2024