



**ORDER NUMBER
G-236-24**

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

and

British Columbia Hydro and Power Authority
Establishment of the Regulatory Fees Regulatory Account and the Insurance Costs Regulatory Account and
Expansion of the Storm Restoration Costs Regulatory Account

BEFORE:

E. B. Lockhart, Commissioner

on August 29, 2024

ORDER

WHEREAS:

- A. On June 12, 2024, British Columbia Hydro and Power Authority (BC Hydro) filed an application with the British Columbia Utilities Commission (BCUC) seeking approval, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), to establish a new Regulatory Fees Regulatory Account, a new Insurance Costs Regulatory Account, and to expand the scope of the existing Storm Restoration Costs Regulatory Account to include routine trouble costs (Application);
- B. For the new Regulatory Fees Regulatory Account and new Insurance Costs Regulatory Account, BC Hydro is proposing to:
 - i. Defer, on an annual and ongoing basis, any variances between plan and actual regulatory fees and any variances between plan and actual insurance costs, respectively, effective starting in fiscal 2024;
 - ii. Apply interest to the balance of the account each year based on BC Hydro's current weighted average cost of debt, effective starting in fiscal 2024;
 - iii. Recover from the account each year, on an ongoing basis, the forecast interest charged to the account each year, effective starting in fiscal 2026; and
 - iv. Recover the forecast account balance at the end of a test period over the following test period, effective starting in fiscal 2026.
- C. By Order G-16-09, the BCUC approved the establishment of a Storm Restoration Costs Regulatory Account to defer, on an ongoing basis, the difference between actual storm-related restoration costs and the average of the actual costs for the five most recent normal weather years;

- D. By Order G-177-24 dated June 28, 2024, the BCUC established the regulatory timetable for a written process to review the Application, which consisted of one round of BCUC information requests, letters of comment, and BC Hydro's final argument and reply to the letters of comment;
- E. No letters of comments were received, and BC Hydro filed its final argument on August 28, 2024; and
- F. The BCUC has reviewed the Application and makes the following determinations.

NOW THEREFORE pursuant to sections 59 to 61 of the UCA, the BCUC orders as follows:

1. BC Hydro is approved to establish the Regulatory Fees Regulatory Account and to:
 - a. Defer to the account, on an annual and ongoing basis, any variances between plan and actual BCUC cost recovery levies, Canada Energy Regulator cost recovery levies, Western Energy Coordinating Council fees, BCUC fees, and Participant Cost Award funding, effective starting in fiscal 2024;
 - b. Apply interest to the balance of the account each year based on BC Hydro's current weighted average cost of debt, effective starting in fiscal 2024;
 - c. Recover from the account each year, on an ongoing basis, the forecast interest charged to the account each year, effective starting in fiscal 2026; and
 - d. Recover, on an ongoing basis, the forecast account balance at the end of a test period over the next test period, effective starting in fiscal 2026.
2. BC Hydro is approved to establish the Insurance Costs Regulatory Account and to:
 - a. Defer to the account, on an annual and ongoing basis, any variances between plan and actual insurance costs, effective starting in fiscal 2024;
 - b. Apply interest to the balance of the account each year based on BC Hydro's current weighted average cost of debt, effective starting in fiscal 2024;
 - c. Recover from the account each year, on an ongoing basis, the forecast interest charged to the account each year, effective starting in fiscal 2026; and
 - d. Recover, on an ongoing basis, the forecast account balance at the end of a test period over the next test period, effective starting in fiscal 2026.
3. BC Hydro is approved to expand the scope of the Storm Restoration Costs Regulatory Account to include variances between plan and actual Routine Trouble costs, as defined in the Application, and to:
 - a. Rename the Storm Restoration Costs Regulatory Account to the Routine Trouble and Storm Restoration Costs Regulatory Account, effective starting in fiscal 2024;
 - b. Continue to defer, on an annual and ongoing basis, any variances between plan and actual Storm costs, as defined in the Application, to the account;

- c. Defer to the account, on an annual and ongoing basis, any variances between plan and actual Routine Trouble costs, effective starting in fiscal 2024. For fiscal 2024 and fiscal 2025, variances between plan and actual Routine Trouble costs deferred to the account are to be based on the plan amounts for Routine Trouble costs included in the Fiscal 2023 to Fiscal 2025 Revenue Requirements Application;
- d. Set the baseline amount for variances subject to deferral to the account based on an average of the five most recent normal weather years for both Storm costs and Routine Trouble costs, effective starting in fiscal 2026;
- e. Continue to apply interest to the balance of the account each year based on BC Hydro's current weighted average cost of debt;
- f. Continue to recover from the account each year the forecast interest charged to the account each year; and
- g. Continue to recover the forecast account balance at the end of a test period over the next test period.

DATED at the City of Vancouver, in the Province of British Columbia, this 29th day of August 2024.

BY ORDER

Original signed by:

E. B. Lockhart
Commissioner