
Revenue Requirement Application

2004/05 and 2005/06



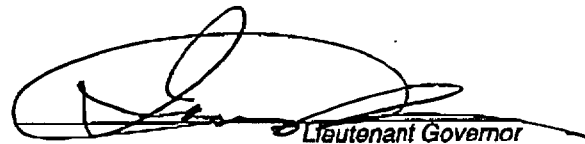
Volume 2

Appendix E1.

Heritage Special Directive No. HC1

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

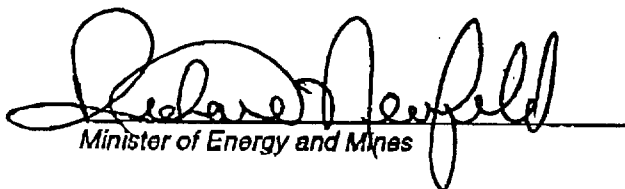
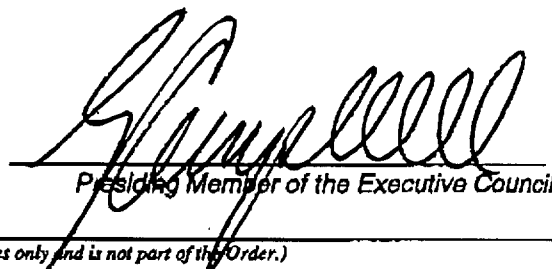
Order in Council No. — 1125 , Approved and Ordered NOV 27 2003


Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that, effective July 1, 2004,

- (a) Special Directive No. 4, dated March 30, 2000 and made under section 35 of the *Hydro and Power Authority Act*, is repealed, and
- (b) the attached Special Directive No. HC1 is made.


Minister of Energy and Mines
Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section:- Hydro and Power Authority Act, s. 35

Other (specify):- _____

November 19, 2003

1407 / 2003/33

HERITAGE SPECIAL DIRECTIVE NO. HC1 TO THE BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

Definitions

1 In this Special Directive:

“Act” means the *Hydro and Power Authority Act*;

“debt” means, in relation to a fiscal year of the authority, the amount obtained by

(a) adding the outstanding amounts of the following at the end of the fiscal year:

(i) borrowings;

(ii) bonds;

(iii) notes;

(iv) debentures, and

(b) deducting from the amount determined under paragraph (a) the sum of the of the following amounts at the end of the fiscal year:

(i) sinking funds;

(ii) temporary investments;

(iii) repurchased debt;

“distributable surplus” means, for a fiscal year,

(a) the consolidated net income, earned by the authority and its subsidiaries from all sources, as reflected in the authority’s audited consolidated financial statements for that fiscal year, less

(b) the finance charges capitalized during the fiscal year, net of depreciation charged on capitalized finance charges;

“equity” means the sum of the following amounts at the end of the fiscal year:

(a) retained earnings;

(b) deferred revenue;

(c) contributions arising from the Columbia River Treaty;

(d) contributions in aid of construction.

Application

2 This Special Directive is issued to the authority under section 35 of the Act.

Annual payment

3 On or before June 30 of each year after 2004, the directors of the authority must cause the authority to pay to the government, for deposit into the consolidated revenue fund, an amount equal to

- (a) 85% of the authority's distributable surplus for the previous fiscal year of the authority, or
- (b) if the payment required under this section would result in the debt/equity ratio of the authority exceeding 80:20, the greatest amount that can be paid by the authority without causing the authority's debt/equity ratio, after the payment is made, to exceed 80:20.