

Chris Sandve

Chief Regulatory Officer

Phone: 604-623-3918

Fax: 604-623-4407

bchydroregulatorygroup@bchydro.com

June 10, 2021

Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

**RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Fiscal 2021 Annual Report to the Commission –
BC Hydro Application to Rescind Directive No. 62 in Order G-246-20
Regarding Reporting on Powertech Labs Inc. Net Income**

BC Hydro is respectfully applying for an order pursuant to section 99 of the *Utilities Commission Act*, varying Order G-246-20 to rescind Directive No. 62. Directive No. 62 requires reporting on Powertech Labs Inc. (**Powertech**) net income. It has been superseded by recent amendments to *Direction No. 8 to the British Columbia Utilities Commission* (Direction No. 8).¹

Order G-246-20 is the British Columbia Utilities Commission's (**BCUC**) order in respect of BC Hydro's Fiscal 2020 to Fiscal 2021 Revenue Requirements Application.² Directive No. 62 provided: "Therefore, BC Hydro is required to file annually as part of its annual report to the BCUC, in confidence if necessary, a summary of Powertech's net income in sufficient detail to enable the BCUC to determine whether the inclusion of Powertech's net income is appropriate."

Amendments to Direction No. 8 that took effect on March 22, 2021 addressed the treatment of Powertech's net income in setting rates for BC Hydro. Specifically, in setting rates, the BCUC must subtract from the costs to be recovered in BC Hydro's rates, an amount equal to the net income, for the fiscal year, of Powertech, as forecast by BC Hydro for that fiscal year. It states:

4 (3) In setting rates for the authority for a fiscal year, the commission must subtract from the costs to be recovered in rates an amount equal to

¹ B.C. Reg. 88/2021; OIC No. 172.

² [DOC_59355_2020-10-02-BCH-F2020-F2021-RRA-Decision.pdf \(bcuc.com\)](#)

the net incomes, for the fiscal year, of Powerex Corp. and Powertech Labs Inc.

(4) For the purposes of subsection (3),

...

(b) the net income of Powertech Labs Inc. for the fiscal year is the amount forecast by the authority.

The information sought in Directive No. 62 is no longer required “to enable the BCUC to determine whether the inclusion of Powertech’s net income is appropriate.” Direction No. 8 requires BC Hydro’s forecast of Powertech net income, as provided through BC Hydro’s revenue requirement applications, to be included.

BC Hydro’s next Annual Report is due later this summer. Given the determinative nature of the amendments to Direction No. 8, we respectfully submit that this reconsideration application can be addressed without further process.

For further information, please contact the undersigned.

Yours sincerely,



Chris Sandve
Chief Regulatory Officer

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