

**Fred James**

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March 18, 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: Project No. 1599164  
British Columbia Utilities Commission (BCUC or Commission)  
British Columbia Hydro and Power Authority (BC Hydro)  
Fiscal 2022 Revenue Requirements Application (the Application)**

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BC Hydro writes to provide undertakings resulting from the March 4 and 5 Review Session in accordance with the timetable set out in BCUC Order No. G-345-20 as well as Revision No. 1 to the Application, to provide a revised Draft Order, as explained in our response to Undertaking No. 19.

Exhibit B-9	Responses to Review Session Undertakings (Public Version)
Exhibit B-9-1	Responses to Review Session Undertakings (Confidential Version)
Exhibit B-10	Responses to Review Session In Camera Undertakings (Confidential)
Exhibit B-2-7	Revision No. 1 to the Application filed on December 22, 2020 – Appendix B

BC Hydro also wishes to provide the following clarifications on testimony given during the March 4 and 5 Review Session.

**1 Mr. Layton's testimony, Volume 1 of Transcript, page 86, lines 14 to 18**

In response to a question from Mr. Keen, Mr. Layton stated that interest is not applied to the pension regulatory accounts. This is correct; and to ensure clarity, we note the following excerpts from section 5G.9.2 of the Previous Application:

Page 5G-17 lines 18 - 19:

Non-current service costs are comprised of plan income on pension plan assets and interest expense on post-employment benefit liabilities.

Page 5G-18, lines 8 – 16:

Interest expense, also known as interest accretion, relates to the expected increase in the discounted pension benefit obligation to recognize the passage of time. Interest expense is calculated by multiplying the discount rate by the amount of the pension obligation at the beginning of the fiscal year adjusted for the accrual of current service costs and expected benefit payments during the year. A decrease in the discount rate will result in a decrease in interest expense, while an increase in the discount rate will result in an increase in interest expense.

Page 5G-19, lines 3 - 4:

Non-current service costs are included in finance charges, as shown in Appendix A, Schedule 8.0, line 17.

**2 Mr. Anderson's testimony, Volume 1 of Transcript, page 134, lines 10-17**

In response to a question from Ms. Worth, Mr. Anderson stated that there is one community with a charging equipment lease arrangement with BC Hydro that charges users of the electric vehicle station a fee. BC Hydro wishes to provide an update. As of February 25, 2021, the fee that was previously charged by the Cowichan Valley Regional District for the use of the electric vehicle charging station in the community of Duncan has been removed. The use of this station will be free until a BCUC approved rate is in place. The account for the charging station is in the name of BC Hydro.

**3 Mr. Anderson's testimony, Volume 1 of Transcript, page 132, lines 2-3**

In response to a question from Ms. Worth about charging equipment leasing, Mr. Anderson stated that all 30 stations during BC Hydro's phase 1 electric vehicle charging stations were subject to an equipment lease agreement. BC Hydro wishes to clarify that the station located at the Powertech Lab site (to be decommissioned by the end of fiscal 2021), which was part of phase 1 deployment, was not subject to an equipment lease arrangement.

**4 Ms. Daschuk's testimony, Volume 2A of Transcript, page 8, lines 21-25**

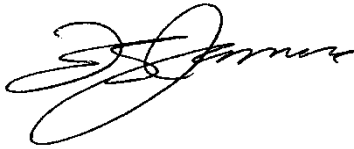
In response to a question from Mr. Ratlich during the in-camera session, Ms. Daschuk stated that

[REDACTED]

March 18, 2021  
Mr. Patrick Wruck  
Commission Secretary and Manager  
Regulatory Support  
British Columbia Utilities Commission  
Fiscal 2022 Revenue Requirements Application (the Application)

For further information, please contact Chris Sandve at 604-974-4641 or by email at [bchydroregulatorygroup@bchydro.com](mailto:bchydroregulatorygroup@bchydro.com).

Yours sincerely,



Fred James  
Chief Regulatory Officer

cs/rh

Enclosure



**ORDER NUMBER**

**G-xx-xx**

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority (BC Hydro)  
Fiscal 2022 Revenue Requirements Application

**BEFORE:**

Commissioner  
Commissioner  
Commissioner

on Date

**ORDER**

**WHEREAS:**

- A. On December 22, 2020, the British Columbia Hydro and Power Authority (**BC Hydro**) filed its Fiscal 2022 Revenue Requirements Application (**Application**) with the British Columbia Utilities Commission (**BCUC**) pursuant to sections 58 to 61 and 89 of the *Utilities Commission Act* (**UCA**), requesting, among other things:
- (i) Approval of an increase in rates by 1.16 per cent, effective April 1, 2021; and
  - (ii) Approval of the Fiscal 2022 Open Access Transmission Tariff (**OATT**) rates as set out in Table 9-4 of the Application, effective April 1, 2021;
- B. BC Hydro requests that these rate increases be set on an interim basis, pending a final BCUC decision on the Application;
- C. In its Application, BC Hydro also requested that certain information in Chapter 6, Appendix I and Appendix N be held confidential due to the customer-specific and/or commercially sensitive nature of the information and that all of Appendix Z be held confidential and be made available to the BCUC only due to the highly security sensitive nature of the information;
- D. By Order No. G-XX-21, the BCUC established the regulatory timetable for the review of the Application, which included one round of BCUC and intervener information requests and a review session, followed by a written argument phase; and
- E. The BCUC has commenced the review of the Application and BC Hydro's request that certain information in Chapter 6, Appendix I and Appendix N and all of Appendix Z be held confidential. The BCUC finds that the setting of interim rates is warranted. The BCUC will hold certain information in Chapter 6, Appendix I and Appendix N and all of Appendix Z confidential on an interim basis pending further review.

.../2

**NOW THEREFORE**, pursuant to sections 58 to 61 and 89 of the UCA, the BCUC orders as follows:

1. The requested rate increase of 1.16 per cent as applied for in the Application is approved on an interim basis effective April 1, 2021.
2. The requested OATT rates as set out in Table 9-4 of the Application are approved on an interim basis effective April 1, 2021.
3. The rates approved by this order will remain interim and subject to refund/recovery or adjustment with interest at BC Hydro's weighted average cost of debt until further order of the BCUC.
4. BC Hydro is to file with the BCUC for endorsement the applicable Tariff sheets reflecting the rates for fiscal 2022 shown in Table Y-1 and Table Y-2 of Appendix Y to the Application 30 days before the effective dates of the interim rates.
5. BC Hydro must provide all BC Hydro customers with notification of the interim rate changes as soon as is practical.
6. BC Hydro's request to hold certain information in Chapter 6, Appendix I and Appendix N and all of Appendix Z confidential is granted on an interim basis pending further review.

**DATED** at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

(X. X. last name)  
Commissioner

Attachment Options



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**ORDER NUMBER**  
**G-xx-xx**

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

and

British Columbia Hydro and Power Authority (BC Hydro)  
Fiscal 2022 Revenue Requirements Application

**BEFORE:**

Commissioner  
Commissioner  
Commissioner

on Date

**ORDER**

**WHEREAS:**

- A. On December 22, 2020, the British Columbia Hydro and Power Authority (BC Hydro) filed its Fiscal 2022 Revenue Requirements Application (**Application**) with the British Columbia Utilities Commission (**BCUC**) pursuant to sections 44.2 and 58 to 61 of the *Utilities Commission Act* (**UCA**), requesting, among other things:
  - (i) Approval of a general rate increase of 1.16 per cent, effective April 1, 2021; and
  - (ii) Approval of the Fiscal 2022 Open Access Transmission Tariff (**OATT**) rates as set out in Table 9-4 of the Application, effective April 1, 2021;
- B. In the Application, BC Hydro also requests the rate increase of 1.16 per cent and the requested OATT rates be set on an interim basis, effective April 1, 2021, pending a final BCUC decision on the Application;
- C. By Order No. G-XX-21, the BCUC approved, on an interim basis, the requested rate increase of 1.16 per cent, effective April 1, 2021 and the requested OATT rates for F2022, also effective April 1, 2021;
- D. By Order No. G-XX-21, the BCUC established the regulatory timetable for the review of the Application, which included one round of BCUC and intervener information requests and a review session, followed by a written argument phase; and
- E. The BCUC has considered the Application, the evidence, and submissions filed in the proceeding.

.../2

**NOW THEREFORE**, pursuant to sections 44.2 and 58 to 61 of the UCA, and for the reasons outlined in the decision issued concurrently with this order, the BCUC orders as follows:

1. The requested rate increase of 1.16 per cent as applied for in the Application is approved, effective April 1, 2021.
2. The following requests related to deferral and regulatory accounts are approved as follows:
  - (a) Cost of Energy Variance Accounts

The request to recover the balances in the Cost of Energy Variance Accounts through the Deferral Account Rate Rider (**DARR**) using the DARR table mechanism as described in Chapter 7, section 7.2.1 is approved. Specifically, starting in fiscal 2022 and on an ongoing basis, the DARR percentage effective April 1 of a given year is set based on the percentage in the DARR table mechanism corresponding to the forecast net balance of the Cost of Energy Variance Accounts at the end of the preceding fiscal year.

- (b) Amortization of Capital Additions Regulatory Account

The request to defer the variances arising in fiscal 2022 as a result of any changes determined in the depreciation study to the Amortization of Capital Additions Regulatory Account is approved. The interest charges and recovery of these amounts are on the same basis as previously approved for this account.

- (c) Dismantling Cost Regulatory Account

The request to continue to defer any variances between forecast and actual dismantling costs in fiscal 2022 to the Dismantling Cost Regulatory Account is approved. The interest applied to the balance of the account each year is based on BC Hydro's current weighted average cost of debt, and the forecast interest charged to the account each year is recovered from the account each year. The forecast account balance at the end of a test period is recovered over the next test period.

- (d) Project Write-Off Costs Regulatory Account

The request to recover the amounts deferred to the Project Write-off Costs Regulatory Account in respect of completed fiscal years over the next test period, starting in fiscal 2022, and on an ongoing basis, subject to BCUC review and approval of the recovery of these amounts is approved. The interest to the balance of the account is applied based on BC Hydro's current weighted average cost of debt. The actual interest charged to the account for amounts related to any completed fiscal years is recovered over the next test period.

- (e) Electric Vehicle Costs Regulatory Account

The request to establish an Electric Vehicle Costs Regulatory Account to defer actual operating costs, amortization, and cost of energy amounts related to electric vehicle charging stations that meet the definition of a prescribed undertaking under the Greenhouse Gas Reduction (Clean Energy) Regulation for fiscal 2020 and fiscal 2021 is approved. The interest to the balance of the account is based on BC Hydro's current weighted average cost of debt and the forecast interest charged to the account each year is recovered from the account each year. Starting in fiscal 2022, the forecast balance at the end of a test period is recovered over the next test period, until such time that the actual amounts deferred to the account for fiscal 2020 and fiscal 2021 are recovered in rates.

(f) Rock Bay Remediation Regulatory Account

The request to close the Rock Bay Remediation Regulatory Account at the end of fiscal 2022 is approved.

3. The requested depreciation rates of certain property, plant and equipment at the Burrard synchronous condense facility for fiscal 2022, as set out in Table 8-2 of the Application, are approved.

4. The requested deprecation rates for electric vehicle charging stations, as set out in Undertaking No. 19, are approved.

4-5. The request to amortize the assets within the infrastructure rights asset class over a 35-year useful life as set out in section 8.2.2 of the Application is approved.

5-6. The requested OATT rates as set out in Table 9-4 of the Application are approved, effective April 1, 2021.

6-7. The requested demand-side management expenditure schedule of \$82.2 million for fiscal 2022 is accepted.

7-8. Within 30 days of the date of this Order, BC Hydro is to file the applicable Tariff sheets reflecting the rates for fiscal 2022 shown in Table Y-1 and Table Y-2 of Appendix Y to the Application.

8-9. The request to hold certain information in Chapter 6, Appendix I and Appendix N and all of Appendix Z confidential is granted.

**DATED** at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

(X. X. last name)  
Commissioner

Attachment Options