91.0 Reference: BC Hydro Response to BCUC Information Request 1.50

1.91.0(c) What is the definition of utility benefits and costs used for calculating the utility test benefit-cost ratio? If lost revenues are ignored, why is the utility benefit-cost ratio calculated and used for evaluation purposes?

RESPONSE:

The utility benefits used for the calculation of the utility benefit/cost ratio are the Net Present value of the stream of electricity savings valued at the avoided costs for electricity. The utility costs used in the calculation are the Net Present value of the total utility costs. Lost revenue is used in the calculation of the Ratepayers Impact Measure Test, and is not a component of the utility test by definition.

The utility test evaluates the impact of the investment on total utility revenue requirements.