

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 131

, Approved and Ordered

March 17, 2025



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 the attached Direction No. 9 to the British Columbia Utilities Commission is made.



Minister of Energy and Climate Solutions



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: Utilities Commission Act, R.S.B.C. 1996, c. 473, s. 3

Other: _____

R10885016

DIRECTION No. 9 TO THE BRITISH COLUMBIA UTILITIES COMMISSION

Contents

- 1 Definitions
- 2 Application
- 3 Basis for establishing authority's revenue requirements
- 4 Existing regulatory accounts
- 5 Regulatory account amortization
- 6 Net salvage
- 7 Dismantling cost regulatory account
- 8 Inflationary pressures regulatory account
- 9 Electrification customer connections regulatory account
- 10 Site C regulatory account
- 11 Real property sales regulatory account
- 12 Battery energy storage systems

Appendix A

Appendix B

Definitions

- 1 In this direction:

“**Act**” means the *Utilities Commission Act*;

“**Burrard facility dismantling project**” means the project to decommission all or part of Burrard Thermal;

“**Burrard Thermal**” means Burrard Thermal as defined in section 1 of the *Clean Energy Act*;

“**cloud costs regulatory account**” means the regulatory account established under paragraph 1 of commission order G-85-23;

“**cloud usage fees regulatory account**” means the regulatory account established under paragraph 3 of commission order G-85-23;

“**decommission**” means,

- (a) in relation to an asset other than real property, dismantle or remove all or part of the asset, and
- (b) in relation to an asset that is real property, restore the asset;

“**deferral account rate rider**” means the surcharge, expressed as a percentage, as set out in rate schedule 1901 of the authority, determined using the mechanism set out in Table 7-2 of the authority's Fiscal 2023 to Fiscal 2025 Revenue Requirements Application filed with the commission on August 31, 2021;

“**dismantling cost regulatory account**” means the regulatory account established under commission order G-47-18;

“**electrification customer connections regulatory account**” means the regulatory account established in accordance with directive 5 set out in the reasons that accompany commission order G-91-23;

- “F2025”** means the fiscal year commencing April 1, 2024 and ending March 31, 2025;
- “F2026”** means the fiscal year commencing April 1, 2025 and ending March 31, 2026;
- “F2027”** means the fiscal year commencing April 1, 2026 and ending March 31, 2027;
- “F2028”** means the fiscal year commencing April 1, 2027 and ending March 31, 2028;
- “F2029”** means the fiscal year commencing April 1, 2028 and ending March 31, 2029;
- “F2030”** means the fiscal year commencing April 1, 2029 and ending March 31, 2030;
- “F2031”** means the fiscal year commencing April 1, 2030 and ending March 31, 2031;
- “fiscal year”** means a fiscal year of the authority;
- “general rate change”** means a change, expressed as a percentage, to the existing rates for electricity service, other than the following changes:
- (a) a change to the OATT rates;
 - (b) a change to the deferral account rate rider or trade income rate rider;
 - (c) a change for the purpose of rate design;
- “inflationary pressures regulatory account”** means the regulatory account established under paragraph 6 of commission order G-341-22;
- “mandatory reliability standards costs regulatory account”** means the regulatory account established under commission order G-26-22;
- “net salvage amortization expense”** means the authority’s net salvage amortization expense calculated using the traditional method;
- “OATT rates”** means the rates in schedules 00, 01 and 03 to the authority's Open Access Transmission Tariff;
- “project write-off costs regulatory account”** means the regulatory account established under commission order G-187-21;
- “rate smoothing regulatory account”** means the regulatory account established under commission order G-43-24;
- “real property sales regulatory account”** means the regulatory account established under commission order G-48-14;
- “Site C regulatory account”** means the regulatory account established under commission order G-143-06 and section 25 of Appendix A attached to that order;
- “specified decommissioning costs”** means the costs of the authority to decommission an asset, but does not include any of the following:
- (a) a cost to decommission an asset in relation to which the authority has an asset retirement obligation;

(b) a cost in relation to which the authority is allowed under a commission order to defer, to a regulatory account other than the net salvage regulatory account, variances between

- (i) planned amounts, and
- (ii) amounts incurred;

“test period” means the fiscal years that are the subject of an application submitted to the commission in which the authority requests a general rate change;

“total finance charges regulatory account” means the regulatory account referred to on pages 186 and 187 of the reasons that accompany commission order G-16-09;

“trade income” has the meaning given to it in section 1.1 of Direction No. 8 to the British Columbia Utilities Commission;

“trade income rate rider” means the trade income rate rider in rate schedule 1904 of the authority;

“traditional method” means the traditional method of accounting for net salvage approved, on page 215 of the reasons that accompany commission order G-91-23, for use by the authority;

“Wilsey Dam fish passage project” means the project to decommission the Wilsey Dam and Shuswap Falls Generating Station located on the Shuswap River, British Columbia.

Application

2 This direction is issued to the commission under section 3 of the Act.

Basis for establishing authority’s revenue requirements

3 Within 10 days of the date the authority files an application with the commission to request final orders setting the authority’s rates effective April 1, 2025 and April 1, 2026, the commission must issue final orders as follows:

- (a) the commission must order a general rate change of 3.42%, effective April 1, 2025;
- (b) the commission must order a general rate change of 0.59%, effective April 1, 2026;
- (c) the commission must set the OATT rates as set out in Appendix A to this direction;
- (d) the commission must set the deferral account rate rider at -4.5%, effective April 1, 2025;
- (e) the commission must set the deferral account rate rider at -1.5%, effective April 1, 2026;
- (f) the commission
 - (i) must not order the authority to refund, through a rate rider, to persons who receive or may receive service from the authority, the trade income forecast for F2026 and F2027,

- (ii) must allow the authority to amortize, through the deferral account rate rider, the forecast balance in the trade income deferral account in F2026 and F2027,
- (iii) must set the trade income rate rider at 0%, effective April 1, 2025, and
- (iv) must set the trade income rate rider at 0%, effective April 1, 2026;
- (g) the commission must
 - (i) accept the schedule of expenditures on demand-side measures set out in Appendix B to this direction, and
 - (ii) allow the authority to carry over, transfer and exceed the expenditures referred to in Appendix B in accordance with the transfer rules set out in the reasons that accompany commission order G-202-24.

Existing regulatory accounts

- 4** Except as otherwise provided in this direction or on application by the authority, in setting rates for the authority for F2026 and F2027, the commission must not exercise a power under the Act to discontinue or modify a regulatory account established under a commission order made before this direction comes into force.

Regulatory account amortization

- 5** In setting rates for the authority for F2026 and F2027, the commission must allow the authority to do all of the following:
 - (a) amortize and recover from persons who receive or may receive service from the authority
 - (i) \$22.9 million in F2026 and \$22.9 million in F2027 from the project write-off costs regulatory account,
 - (ii) \$3.3 million in F2026 and \$3.3 million in F2027 from the mandatory reliability standards costs regulatory account,
 - (iii) \$18.2 million in F2026 and \$25.1 million in F2027 from the cloud costs regulatory account, and
 - (iv) \$4.8 million in F2026 and \$4.7 million in F2027 from the cloud usage fees regulatory account;
 - (b) amortize and refund to persons who receive or may receive service from the authority \$237.8 million in F2026 and \$251.2 million in F2027 from the rate smoothing regulatory account.

Net salvage

- 6** (1) In setting rates for the authority for F2026, F2027, F2028, F2029, F2030 and F2031, the commission must allow the authority to do all of the following:
 - (a) apply the traditional method to account for net salvage;
 - (b) establish a net salvage regulatory account;
 - (c) in each fiscal year, defer to the net salvage regulatory account the specified decommissioning costs incurred in that fiscal year;

(d) in each fiscal year set out in column 1 of the table below, recover from the net salvage regulatory account

- (i) the portion, set out opposite in column 2, of the authority's planned net salvage amortization expense for that fiscal year, and
- (ii) the portion, set out opposite in column 3, of the authority's planned specified decommissioning costs for that fiscal year;

	Column 1 Fiscal year	Column 2 Planned net salvage amortization expense	Column 3 Planned specified decommissioning costs
1	F2026	1/6	5/6
2	F2027	2/6	4/6
3	F2028	3/6	3/6
4	F2029	4/6	2/6
5	F2030	5/6	1/6
6	F2031	6/6	0

(e) each fiscal year, defer the following variances to the net salvage regulatory account:

- (i) the variance between
 - (A) the portion of the authority's planned net salvage amortization expense allowed under paragraph (d) to be recovered from the net salvage regulatory account in the fiscal year, and
 - (B) the same portion of the net salvage amortization expense incurred in the fiscal year;
- (ii) the variance between
 - (A) the portion of the authority's planned specified decommissioning costs allowed under paragraph (d) to be recovered from the net salvage regulatory account in the fiscal year, and
 - (B) the same portion of the specified decommissioning costs incurred in the fiscal year.

(2) In setting rates for the authority for a test period that includes F2028, F2029, F2030 or F2031, the commission must allow the authority to amortize over the test period the variances referred to in subsection (1) (e) (i) and (ii) that were deferred in the previous test period.

Dismantling cost regulatory account

7 In setting rates for the authority for F2026 and each subsequent fiscal year, the commission must allow the authority to defer to the dismantling cost regulatory account the variance between

- (a) the authority's planned costs in relation to the Burrard facility dismantling project and the Wilsey dam fish passage project, and

- (b) the costs incurred by the authority in relation to the Burrard facility dismantling project and the Wilsey dam fish passage project.

Inflationary pressures regulatory account

- 8 In setting rates for the authority for F2026 and F2027, the commission must allow the authority to do the following:
 - (a) amortize from the inflationary pressures regulatory account, over F2026 and F2027, the amount equal to the authority's forecast of the March 31, 2025 balance in the account;
 - (b) each fiscal year, amortize from the inflationary pressures regulatory account the amount equal to the interest the authority plans to defer to the account in the fiscal year.

Electrification customer connections regulatory account

- 9 (1) In setting rates for the authority for F2026 and F2027, the commission must allow the authority to defer, each fiscal year, to the electrification customer connections regulatory account the interest, based on the authority's weighted average cost of debt for the fiscal year, on the balance in the account.
- (2) In setting rates for the authority for F2026 and F2027, the commission must allow the authority to do the following:
 - (a) amortize from the electrification customer connections regulatory account, over F2026 and F2027, the amount equal to the authority's forecast of the March 31, 2025 balance in the account;
 - (b) each fiscal year, amortize from the electrification customer connections regulatory account the amount equal to the interest the authority plans to defer to the account in the fiscal year.

Site C regulatory account

- 10 In setting rates for the authority for F2026 and F2027, the commission must allow the authority to do the following:
 - (a) each fiscal year, defer to the Site C regulatory account the interest, based on the authority's weighted average cost of debt for the fiscal year, on the balance in the account;
 - (b) each fiscal year, amortize from the Site C regulatory account the amount equal to the interest the authority plans to defer to the account in the fiscal year.

Real property sales regulatory account

- 11 (1) In setting rates for the authority for F2026 and each subsequent fiscal year, the commission must allow the authority to cease deferrals of net gains or losses on sales of real property.
- (2) The commission must allow the authority to do the following:
 - (a) at the end of F2027, close the real property sales regulatory account;
 - (b) at the end of F2027, transfer to the total finance charges regulatory account the remaining balance, if any, in the real property sales regulatory account.

Battery energy storage systems

- 12** In setting rates for the authority for F2026 and F2027, the commission must allow the authority to
- (a) establish an asset class consisting of battery energy storage systems, and
 - (b) assume for the purposes of depreciation that the assets in the class have an average service life of 10 years.

**APPENDIX A
OATT Rates**

Service	Rate Schedule in Authority's Open Access Transmission Tariff	Rate effective April 1, 2025	Rate effective April 1, 2026
Network Integration Transmission Service	00	\$88.117 million/month	\$90.586 million/month
Long-Term Firm Point-to-Point Transmission Service	01	\$92,207/MW/year	\$94,573/MW/year
Monthly Short-Term Firm and Non-Firm Point-to-Point Transmission Service	01	\$7,683.86/MW/month	\$7,881.04/MW/month
Weekly Short-Term Firm and Non-Firm Point-to-Point Transmission Service	01	\$1,773.21/MW/week	\$1,818.71/MW/week
Daily Short-Term Firm and Non-Firm Point-to-Point Transmission Service	01	\$252.62/MW/day	\$259.10/MW/day
Hourly Short-Term Firm and Non-Firm Point-to-Point Transmission Service	01	\$10.53/MW/h	\$10.80/MW/h
Scheduling, System Control and Dispatch Service	03	\$0.139/MWh	\$0.139/MWh

APPENDIX B
DSM Expenditure Schedule

	F2025 Forecast Expenditure (\$ Million)	F2026 Plan Expenditure (\$ Million)	F2027 Plan Expenditure (\$ Million)
Energy Efficiency Program areas			
Residential	80.6	70.3	88.1
Commercial	30.6	51.7	68.6
Industrial	30.1	51.1	52.5
Total Energy Efficiency Program Areas	141.2	173.1	209.1
Capacity-Focused Program Area	28.5	41.7	49.9
Portfolio Supporting Initiatives Program Area	28.3	32.0	33.9
Total	198.1	246.9	293.0