

B-54

BC Hydro 2015 Rate Design Application

BC HYDRO UNDERTAKING NO. 27

HEARING DATE: August 23, 2016

REQUESTOR: BCOAPO

TRANSCRIPT REFERENCE: Volume 6, page 1080 lines 4-6

QUESTION:

Please confirm that if you are capitalizing the additional costs related to overheads, there will be a resulting reduction in the revenue requirement?

RESPONSE:

The greater the allocation of overhead costs into standard charges paid for by customers the lower the revenue requirement, regardless of accounting treatment.