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BCHydro CEO admits \$70 billion obligation

Responding to Arthur Caldicott, during a public discussion at a Fort St John Chamber of Commerce meeting on June 18, BCHydro CEO Charles Reid confirmed that in total the corporation owed almost \$70 billion: \$15 billion in longterm debt, \$4.5 billion in deferral accounts, and some \$50 billion in future contractual obligations.

He defended the position saying, deferral accounts represent borrowings to finance current projects (such as smart meters and Demand Side Management) which are expected to be paid back out of revenue from the corporation's customers.

The contractual obligations mainly consist of guaranteed

commitments to Independent Power Producers (IPP). These obligations do not appear on the books of either BCHydro or the provincial government.

The debt, Reid said, was secured by \$100 billion of assets. However, as these assets show up on the 2012 Annual Report as assets of a mere \$21 billion. It would appear he is citing a replacement cost—hardly an asset.

According to BCHydro's 2012 financial statements: net income was \$558 million from total revenues of \$4.7 billion; \$230 million was paid to the provincial government. 