



PROVINCE OF BRITISH COLUMBIA
BRITISH COLUMBIA UTILITIES COMMISSION

IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

IN THE MATTER of a Sale of Surplus Power Service
and Exemption Amendment Order No. 2 issued
by the Minister of Energy, Mines and Petroleum
Resources on August 11, 1986

and

IN THE MATTER OF the Sale of Surplus Power
amending Agreement No. 4

BEFORE: M. Taylor,)
Chairman; and) August 15, 1986
N. Martin,)
Commissioner)

O R D E R

WHEREAS on July 28, 1982 the Minister of Energy,
Mines and Petroleum Resources issued a Sale of Surplus Power
Service and Exemption Order; and

WHEREAS the afore-noted document outlined certain
provisions to be observed by Cominco Ltd. ("Cominco") and West
Kootenay Power and Light Company, Limited ("WKPL"); and

WHEREAS Conditions 1(b)(i) and 1(b)(ii) of the Sale
of Surplus Power Agreement included, inter alia, the following
provisions:

- (i) a procedure whereby WKPL may, until the 31st day of
December, 1990, elect to purchase from Cominco, and
Cominco shall be required to sell as firm energy up
to 75 average annual megawatts, (aamw) on a calendar
year basis;

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(ii) a right of first refusal to WKPL of any further surplus; and

WHEREAS on June 13, 1986 WKPL provided to the Commission copies of a letter dated May 21, 1986 from Cominco Ltd. concerning their smelter modernization, and a May 26, 1986 response by WKPL (copies attached as Appendix "A" to this Order); and

WHEREAS on July 30, 1986 WKPL submitted for Commission approval the Sale of Surplus Power Amending Agreement No. 4, dated July 30, 1986; and

WHEREAS the Commission has reviewed the proposed Amending Agreement No. 4 and is satisfied that it is in the public interest.

NOW THEREFORE the Commission orders that the Sale of Surplus Power Amending Agreement No. 4 is hereby approved.

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of August, 1986.

BY ORDER



Chairman

Attachment

APPENDIX "A"



(Bill) Roberson
President Operations
504) 364-4130

West Kootenay Power and Light
Company, Limited
Waneta Plaza
8100 Rock Island Highway
Trail, B.C.
V1R 4N7

Attention: Mr. J.A. Drennan

May 21, 1986

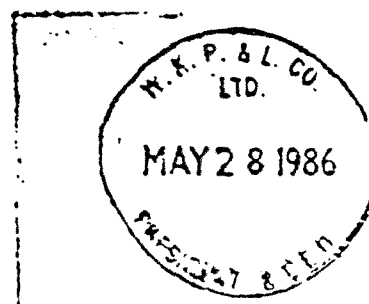
Dear Joe:

Re: Smelter Modernization

I am writing to advise you that Cominco is finalizing arrangements to proceed with smelter modernization. This project when complete, and coupled with the already modernized zinc plant, will ensure the long-term viability of Cominco's metallurgical and chemical operations at Trail. Smelter modernization includes several major components including a new furnace/smelting module and a new oxygen plant.

It is estimated that smelter modernization will increase Cominco's overall industrial electric power requirements by approximately 8 annual average megawatts ("aaMw").

To reduce the financing requirements upon Cominco arising from the modernization program, Cominco is proposing that the new oxygen plant be owned and operated by a company specializing in air products, with the oxygen purchased by Cominco for use in the new smelter. The oxygen plant may also produce certain by-products which may be offered for sale to third parties by the owner/operator of the plant. Any such by-product sales might also occur were Cominco to own the oxygen plant itself. The oxygen plant will be located within the bounds of Cominco's industrial plant site at Trail. Cominco will provide the plant with electric power, water and sewer services.

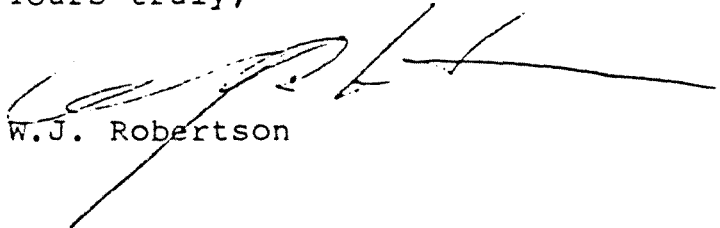


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To make certain that this method of providing oxygen will not conflict with the Sale of Surplus Power Service and Exemption Order pursuant to which Cominco sells power to West Kootenay, Cominco intends to apply for an amendment to the Order which shall authorize it to supply up to 20 aaMw of electric power to the owner/operator of the new oxygen plant before offering any interruptible power to West Kootenay.

Please advise if you have any concerns or objections regarding the foregoing.

Yours truly,

A handwritten signature in dark ink, appearing to be 'W.J. Robertson', written over a horizontal line.

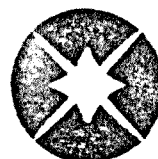
W.J. Robertson

WJR:A

Tel. (604) 368-3321 / Telex 041-4417

POSTAL ADDRESS
Box 130, Trail, B.C. V1R 4L4

J. A. Drennan
President and Chief
Executive Officer



west kootenay power

May 26, 1986

Mr. W.J. Robertson
Vice-President Operations at Trail
Cominco Ltd.
TRAIL OFFICE.

Dear Bill:

I am writing in response to your letter of May 21, 1986 in which you advise of Cominco's plans to proceed with modernization of its smelter at Trail, and of the forecast change in Cominco's total electrical load requirements.

With respect to the new oxygen plant, we understand that it is an essential part of a modernized smelter and therefore an integral part of Cominco's industrial operations. We further understand that the purpose of having a third party own and operate the new oxygen plant is so as to reduce the financing burden upon Cominco.

Given the foregoing, West Kootenay has no objection to Cominco seeking the amendment to its Exemption Order to ensure that the new oxygen plant for the modernized smelter can be supplied with electric power by Cominco.

Yours truly,

J. A. Drennan

JAD:fb