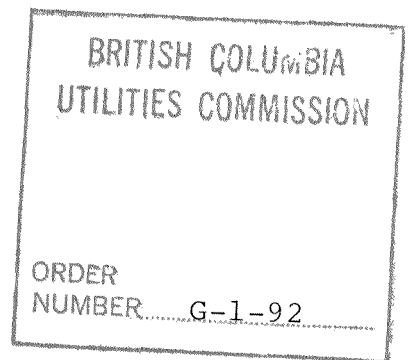




IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

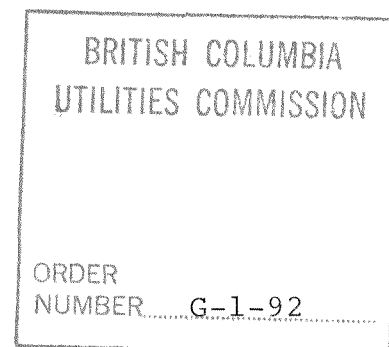
IN THE MATTER OF an Application by
British Columbia Hydro and Power Authority
and the
British Columbia Power Exchange Corporation

BEFORE: J.G. McIntyre,)
Chairman;)
J.D.V. Newlands,)
Deputy Chairman;)
N. Martin,) January 6, 1992
Commissioner; and)
F.C. Leighton,)
Commissioner)

O R D E R

WHEREAS:

- A. Pursuant to Section 23 of the Utilities Commission Act ("the Act") and in conformance with the requirements of B.C. Regulation 426/90, on April 29, 1991 British Columbia Hydro and Power Authority ("B.C. Hydro") and British Columbia Power Exchange Corporation ("POWEREX") referred to as ("the Applicants") applied jointly to the Minister of Energy, Mines and Petroleum Resources ("the Minister") for an Energy Removal Certificate ("ERC") to allow for the export of power and energy to the United States and Alberta; and
- B. The ERC Application ("the Application") is for a period of six years until September 30, 1997 ("the Term") and covers the following removals:
1. Short-term firm power of up to 2,300 megawatts ("MW") to the United States and up to 1,200 MW to Alberta; and
 2. Short-term firm energy in amounts up to 6,000 gigawatt-hours ("GW.h") in each year of the Term; and
 3. Interruptible energy in amounts up to 25,000 GW.h in each year of the Term less any short-term firm energy removals.
- C. The Minister, by Orders ERC-80(8403)A6 and ERC-32(8710)A3, dated September 10, 1991, extended the terms of the existing ERC's from September 30, 1991 for a period of six months, until March 31, 1992; and
- D. By letter dated November 19, 1991, pursuant to Sections 24(1)(a) and 25 of the Act, the Minister referred the Application to the Commission for review in a public hearing in accordance with specific Terms of Reference provided and attached as Appendix A to this Order; and
- E. On December 3, 1991, and December 11, 1991, the Commission, pursuant to Clause 6(c) of the Terms of Reference, convened meetings with representatives from B.C. Hydro, the Ministry of Energy, Mines and Petroleum Resources, the Ministry of Environment, Lands and Parks, and the Greater Vancouver Regional District, to discuss the current information base and studies necessary to assess the environmental impact of the operation of B.C. Hydro's Burrard Thermal Generating Plant in support of the Application; and



- F. On December 20, 1991, the Commission wrote to the Minister providing an update of the discussions held with the agencies identified in paragraph E above, and requested an extension of the deadline to March 30, 1992, for submission of the Commission's report on the hearing.

NOW THEREFORE the Commission orders the Applicants as follows:

1. A public hearing is to commence at 9:00 a.m. local time, Tuesday, February 11, 1992 in the Hearing Room of the British Columbia Utilities Commission, 6th Floor, 900 Howe Street, Vancouver, B.C.
2. B.C. Hydro will arrange for publication, by January 7, 1992, of a Notice of Public Hearing, as per attached copy, in one issue of each of the Vancouver Sun, The Province and such other appropriate local news publications as may properly provide adequate notice to those persons in the province who may have an interest in the Application.
3. Intervenors and Interested Parties intending to be present and participate in the public hearing should give written Notice of Intention to do so to the Commission Secretary and to the Applicant, to be received not later than Thursday, January 16, 1992. Such Notice should state the nature of the interest in the proceeding.
4. Intervenors and Interested Parties intending to file a written submission should provide one copy to the Commission Secretary and one copy to the Applicant to be received not later than Monday, January 27, 1992.
5. Intervenors and Interested Parties intending to make a request for additional information of the Applicant, should provide one copy of the request to the Commission Secretary and one copy to the Applicant to be submitted not later than Thursday, January 16, 1992.

B.C. Hydro is required to respond to all information requests by Thursday, January 30, 1992.

6. B.C. Hydro is to file with the Commission not later than Wednesday, January 22, 1992, any prepared testimony and supplemental material upon which it intends to rely.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of January 1992.

BY ORDER

 A handwritten signature in ink, appearing to read "John G. McIntyre".

John G. McIntyre
Chairman

/mmc
Attachments



**BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
and
BRITISH COLUMBIA POWER EXCHANGE CORPORATION
Application- Energy Removal Certificate**

NOTICE OF PUBLIC HEARING

Time: 9:00 a.m.
Date: Tuesday, February 11, 1992
Location: Commission Hearing Room
Sixth Floor, 900 Howe Street
Vancouver, B.C.

THE APPLICATION

Pursuant to Section 23 of the Utilities Commission Act, British Columbia Hydro and Power Authority and its export subsidiary, British Columbia Power Exchange Corporation ("the Applicants") have applied to the Minister of Energy, Mines and Petroleum Resources for an Energy Removal Certificate ("ERC") to allow for the export of power and energy to the United States and Alberta.

The ERC Application ("the Application") is for a period of six years until September 30, 1997, ("the Term") and covers the following removals:

1. Short-term firm power of up to 2,300 megawatts ("MW") to the United States and up to 1,200 MW to Alberta; and
2. Short-term firm energy in amounts up to 6,000 gigawatt-hours (GW.h") in each year of the Term; and
3. Interruptible energy in amounts up to 25,000 GW.h in each year of the Term less any short-term firm energy removals.

By letter dated November 19, 1991, pursuant to Sections 24(1)(a) and 25 of the Act, the Minister referred the Application to the Commission for review in a public hearing in accordance with specific Terms of Reference provided. The Minister has asked that the Commission's review include an assessment of the role of the Burrard Thermal Plant in support of the export sales. The Terms of Reference also asked the Commission to review the province's current methods of surplus determination and "offer mechanism" whereby surplus electricity is first offered to domestic utilities on comparable terms. Additionally, the Commission is required to review the issue of the time frame which should be considered "short term" in the context of the Application.

THE PUBLIC HEARING

The Commission has set down the Application for public hearing to commence at 9:00 a.m. local time, Tuesday, February 11, 1992 in the Hearing Room of the British Columbia Utilities Commission, 6th Floor, 900 Howe Street, Vancouver, B.C.

The Division of the Commission named to review the Application will be chaired by Mr. F.C Leighton, Commissioner.

INTERVENTIONS

Any person wishing to be present at the public hearing and to give evidence or cross-examine witnesses should give written Notice of Intention to do so to the Commission Secretary and to the Applicant, to be received not later than Thursday, January 16, 1992. Such Notice should state the nature of the interest in the proceedings.

SUBMISSIONS BY INTERESTED PERSONS

Any person intending to file a written submission should provide one copy to the Commission Secretary and one copy to the Applicant to be received not later than Monday, January 27, 1992.

Persons intending to make a request for additional information of the Applicant, should provide one copy of the request to the Commission Secretary and one copy to the Applicant to be submitted by Thursday, January 16, 1992. B.C. Hydro will be required to respond to these information requests by Thursday, January 30, 1992.

Information requests submitted after January 16, 1992 will be entertained, but B.C. Hydro will not be obligated to provide a response by the January 30, 1992 deadline.

CLARIFICATION

Persons intending to participate in the public hearing, who are uncertain as to the manner in which to proceed, may contact Mr. R.J. Pellatt, Commission Secretary, or Mr. N.C.J. Smith, Manager, Electrical Engineering, by Telephone (660 - 4700) or (1-800-663-1385), or in writing.

BY ORDER



Robert J. Pellatt
Commission Secretary

/lm

TERMS OF REFERENCE

IN THE MATTER OF
THE UTILITIES COMMISSION ACT ("the Act")
S.B.C. 1980, c. 60

and

IN THE MATTER OF AN APPLICATION BY THE
BRITISH COLUMBIA HYDRO AND POWER AUTHORITY ("B.C. Hydro")
AND THE
BRITISH COLUMBIA POWER EXCHANGE CORPORATION ("POWEREX")
FOR AN ENERGY REMOVAL CERTIFICATE ("ERC") FOR ELECTRICITY EXPORTS
TO THE UNITED STATES AND ALBERTA

DISPOSITION OF APPLICATION AND TERMS
OF REFERENCE FOR REVIEW BY THE
BRITISH COLUMBIA UTILITIES COMMISSION

WHEREAS, B.C. Hydro and POWEREX ("the Applicants") currently jointly hold two separate ERCs for the removal of electricity to the United States and Alberta, respectively; and,

WHEREAS, the Applicants must apply to the Minister of Energy, Mines and Petroleum Resources ("the Minister"), pursuant to Condition 9 of ERC-80(8403), as amended, for approval to export firm power or energy; and,

WHEREAS, the Minister by Orders ERC-80(8403)A6 and ERC-32(8710)A3 dated September 10, 1991, extended the terms of the existing ERCs from September 30, 1991, for a period of six months, until March 31, 1992; and,

WHEREAS, pursuant to section 23 of the Act, and in conformance with the requirements of B.C. Regulation 426/90, the Applicants applied jointly for an ERC covering electricity removals to the United States and Alberta by way of an Energy Removal Certificate Application ("the Application") submitted April 29, 1991; and,

WHEREAS, the Application is for a period of six years until September 30, 1997, ("the Term") and covers the following removals:

1. short-term firm power of up to 2,300 megawatts ("MW") to the United States and up to 1,200 MW to Alberta; and,
2. short-term firm energy in amounts up to 6,000 gigawatt hours ("GW.h") in each year of the Term; and,
3. interruptible energy in amounts up to 25,000 GW.h in each year of the Term less any short-term firm energy removals.

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NOW THEREFORE, pursuant to sections 24(1)(a) and 25 of the Act, the Minister hereby refers the Application to the British Columbia Utilities Commission ("the Commission") for review. The Commission shall hear the Application in a public hearing, in accordance with the following Terms of Reference, and invite comments from interested parties.

TERMS OF REFERENCE

OBJECTIVE

The Commission shall hear the Application in a public hearing in accordance with the criteria outlined below and, on conclusion of the hearing, shall submit a report to the Lieutenant Governor in Council by February 28, 1992, with recommendations on whether an ERC should be issued or refused and, if issued, the conditions, if any, to which the ERC should be made subject.

EVALUATION CRITERIA

1. The Commission shall review the Application and make an assessment of the net benefits to the Province and the Applicants of the proposed removals.
2. The Commission shall review the Application to ensure that reliability and security of electricity supply to British Columbians will not be adversely affected by the proposed removals. Without limiting the generality of the foregoing, the Commission shall also review any written agreements submitted to the Minister by the Applicants or either of them, pursuant to Condition 9 of ERC 80(8403) as amended, prior to the conclusion of this review.
3. The Commission shall review and assess the current provincial procedures for determining B.C. Hydro's removable short-term energy surplus, as outlined in the "Reasons for Decision" for ERC-80(8403) and "ERC-80(8403)", as amended, which are attached hereto and form part hereof, in view of the changes which have occurred and are expected in the resource mix available to B.C. Hydro, including demand reduction programs and purchases from other electricity producers.
4. The Commission shall review the issue of the time frame which should be considered "short-term" for the purpose of the Application.

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5. The Commission shall review the present offer mechanism, whereby electricity proposed for short-term removal by the Applicants is first offered to domestic interconnected utilities on terms and conditions no less favourable than the proposed removals, and determine whether this mechanism is the best method available for the purposes of demonstrating a removable energy surplus and providing evidence of a fair market price.
6. The Commission shall review the Application to assess the environmental impacts from the proposed removals and whether the Applicants' operating practices are adequate to mitigate any unacceptable impacts and, in particular, the Commission shall:
 - (a) conduct a review of the role of the Burrard Thermal Generating Station (Burrard) in serving the export market; and,
 - (b) assess the impact on the Lower Mainland airshed, under various meteorological conditions, of the air emissions which can be directly attributable to increased generation from Burrard to serve the export market; and,
 - (c) consult with the Ministry of Environment, Lands and Parks and the Greater Vancouver Regional District to ensure that any studies/modelling which may be necessary for assessing the environmental impact of the operation of Burrard are adequate to reach reliable recommendations.



Anne Edwards
Minister

Dated this 21st day of November, 1991.