



IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by Riverside Forest Products Limited for an
Exemption from Certain Provisions of the Utilities Commission Act

BEFORE: P. Ostergaard, Chair)
R.D. Deane, Commissioner)
K.L. Hall, Commissioner) October 25, 2001
N.F. Nicholls, Commissioner)

O R D E R

WHEREAS:

- A. Riverside Forest Products Limited ("Riverside") owns and operates a lumber stud mill, plywood facility and log processing facility in Kelowna, British Columbia (collectively, the "Facilities") whose electricity load requirements are met by power service purchases from the City of Kelowna (the "City") and power generated from Riverside's hog fuel fired generator located at the Facilities (the "Power Plant"); and
- B. Commencing in 1998, Riverside entered into discussions with West Kootenay Power Ltd. ("WKP") and the City regarding how Riverside could increase the Power Plant's generation capacity above its historical capacity of about 2 MW and sell all electric energy generation above 2 MW each hour (the "Incremental Power") to brokers or others for export; and
- C. The 2 MW baseline is required to prevent harm to WKP and its customers; and
- D. In 2000, Riverside undertook various modifications to the Power Plant including adding a second turbine generator which, when brought into service in May 2000 increased the Power Plant's average generation capacity; and
- E. On May 29, 2001, Riverside applied to the British Columbia Utilities Commission (the "Commission") pursuant to Section 88(3) of the Utilities Commission Act (the "Act") for an Order exempting Riverside from certain provisions of the Act in respect of the production and sale of:
 - (a) the Incremental Power to brokers or others for export outside of the province, to the City or to Powerex Corporation, B.C. Hydro or WKP for use outside of the City's electrical service area; and
 - (b) that portion of the Power Plant's initial 2 average MW of generation that is not required by the Facilities to the City; and
- F. The Commission has considered Riverside's application pursuant to Section 88(3) of the Act. The Commission finds that the exclusion of the first 2 MW of generation each hour from the definition of Incremental Power and the relatively constant production level associated with the generators will protect WKP and its customers from arbitrage with respect to the initial 2 MW or other impacts. The Commission is satisfied that an Order exempting Riverside from certain sections of the Act subject to certain conditions properly conserves the public convenience and interest; and

- G. On October 18, 2001, the approval of the Lieutenant Governor in Council was given to the said exemption by Order in Council No. 919, attached as Appendix A.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to Section 88(3) of the Act, the Commission exempts Riverside from the provisions of the Act, other than Part 2 and Section 99, in respect of the production and sale of the Incremental Power to:
 - brokers or others for export outside of the Province,
 - the City or to Powerex Corporation, B.C. Hydro or WKP for use outside of the City's electrical service area.
2. Pursuant to Section 88(3) of the Act, the Commission exempts the purchaser of the Incremental Power (the "Purchaser") from Section 71 of the Act in respect of the purchase of the Incremental Power if the Purchaser is not a Public Utility under the Act.
3. Pursuant to Section 88(3) of the Act, the Commission exempts Riverside from the provisions of the Act, other than Part 2 and Section 99, in respect of the production and sale to the City of that portion of the Power Plant's initial 2 MW of generation each hour that is not required by the Facilities.
4. This Order is subject to the following conditions:
 - (i) This Order shall be effective on the date of this Order; and
 - (ii) The Commission may, pursuant to Section 99 of the Act, reconsider, vary or rescind an Order made by it; and
 - (iii) Riverside will install and maintain electrical metering to the satisfaction of WKP and the City.

DATED at the City of Vancouver, in the Province of British Columbia, this 1st day of November 2001.

BY ORDER

Original signed by:

Kenneth L. Hall
Commissioner and
Acting Chair

Attachment

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. **919**, Approved and Ordered **OCT 18 2001**


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

approval is given to the British Columbia Utilities Commission to exempt Riverside Forest Products Limited from provisions of the Utilities Commission Act for the purposes and subject to the terms substantially set out in the attached draft order of the British Columbia Utilities Commission.


Minister of Energy and Mines
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, section 88 (3)

Other (specify): _____

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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-__-01

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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
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- G. On _____, 2001, the approval of the Lieutenant Governor in Council was given to the said exemption by Order in Council No. ____, attached as Appendix A.

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 - (ii). The Commission may, pursuant to Section 99 of the Act, reconsider, vary or rescind an Order made by it; and
 - (iii). Riverside will install and maintain electrical metering to the satisfaction of WKP and the City.

DATED at the City of Vancouver, in the Province of British Columbia, this _____ day of August 2001.

BY ORDER

Peter Ostergaard
Chair