



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

and

An Application by Aquila Networks Canada (British Columbia) Ltd.
for a Certificate of Public Convenience and Necessity
for the South Okanagan Supply Reinforcement Project

and

An Application by British Columbia Hydro and Power Authority
to amend the General Wheeling Agreement and the Power Purchase Agreement
with Aquila Networks Canada (British Columbia) Ltd.

BEFORE: P. Ostergaard, Chair)
R.D. Deane, Commissioner) December 18, 2002

O R D E R

WHEREAS:

- A. On December 16, 2002, Aquila Networks Canada (British Columbia) Ltd. ("Aquila") applied to the British Columbia Utilities Commission ("the Commission") pursuant to Sections 41, 45, 46 and 52 of the Utilities Commission Act ("the Act"), for a Certificate of Public Convenience and Necessity ("CPCN") to construct the Vaseux Lake Terminal Station near Oliver, B.C., as well as related transmission improvements between the substation site and Aquila's nearby Line 40, upgrades to certain Okanagan and Boundary area terminal stations, telecommunication equipment, and modifications to the British Columbia Hydro and Power Authority ("B.C. Hydro") 500 kV line (collectively called "the Project"), and for the approval of certain agreements with B.C. Hydro ("the Aquila Application"); and
- B. In consideration of the terms of supply from B.C. Hydro, once the Project is commissioned, Aquila will assign ownership of the 500 kV substation facilities and attendant future obligations to B.C. Hydro pursuant to the provisions of the Vaseux Lake Terminal Station Agreement; and
- C. On December 17, 2002, B.C. Hydro applied to the Commission, pursuant to Section 60 of the Act, for approval of amendments to the General Wheeling Agreement and the Power Purchase Agreement between B.C. Hydro and Aquila ("the B.C. Hydro Application"); and

D. These Applications have been preceded by the following events:

- Filing of the Aquila draft Master Plan for the Period 1999 – 2018 in November 1998;
- Filing of the Aquila Master Plan for the Period 1999 – 2018 in April 1999;
- Review of the Aquila Master Plan in Penticton on May 27, 1999, followed by a Commission letter dated June 15, 1999, indicating that the plan provides the basis for the Company to submit an application for a Certificate of Public Convenience and Necessity;
- Joint System Impact Studies, prepared in association with B.C. Hydro in 2000, previously filed with the Commission;
- Review of South Okanagan Supply Reinforcement planning at Aquila's Annual Review in December 2000; and

E. Aquila has held two public information and public input sessions in the area on July 18 and September 5, 2002; and

F. Aquila has requested a written process and the following regulatory timetable:

- Technical Workshop on Wednesday, January 15, 2003
- Information Requests by Friday, January 24, 2003
- Aquila Responses by Friday, January 31, 2003
- Written Argument by Friday, February 14, 2003; and

G. The Commission has reviewed the Aquila and B.C. Hydro Applications and has determined that a regulatory process is necessary for public input, which includes a Technical Workshop to define and review issues.

NOW THEREFORE the Commission orders as follows:

1. A written public hearing is established for the review of the Aquila and B.C. Hydro Applications.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-100-02**

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2. Aquila will publish, as soon as possible, in display ad format, the Notice of Written Public Hearing attached as Appendix A to this Order, in such appropriate news publications as may properly provide adequate notice to the public in its service area.
3. The Applications and supporting material will be made available for inspection at the Trail Office of Aquila at 1290 Esplanade, Trail, B.C., and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C., as well as at the public libraries in Oliver and Penticton.

The Applications are available for viewing on Aquila's web site at <http://www.aquilanetworks.ca>.

4. Intervenors and Interested Parties should inform the Commission in writing, by January 10, 2003 of their intention to intervene and identify the nature of their interest in the Project.
5. The following Regulatory Agenda is established for the written hearing:
 - Aquila and B.C. Hydro will hold a Technical Workshop on Wednesday January 15, 2003 in Penticton at the Ramada Inn, 1050 West Eckhardt Avenue, starting at 1:30 p.m.
 - Written information requests will be submitted to Aquila or B.C. Hydro by Friday, January 24, 2003.
 - Aquila and B.C. Hydro will provide written responses by Friday, January 31, 2003.
 - Interested Parties and Intervenors will submit written comments by Friday, February 14, 2003.
 - Aquila and B.C. Hydro will provide final rebuttal or comments by Friday, February 21, 2003.

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of December 2002.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachment

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**AQUILA NETWORKS CANADA (BRITISH COLUMBIA) LTD.
AND BRITISH COLUMBIA HYDRO AND POWER AUTHORITY**

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for a Certificate of Public Convenience and Necessity
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to amend the General Wheeling Agreement and the Power Purchase Agreement
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NOTICE OF WRITTEN PUBLIC HEARING
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THE APPLICATIONS

Aquila Networks Canada (British Columbia) Ltd. (“Aquila”) applied to the British Columbia Utilities Commission (“the Commission”), pursuant to Sections 41, 45, 46 and 52 of the Utilities Commission Act (“the Act”), for a Certificate of Public Convenience and Necessity (“CPCN”) to construct the Vaseux Lake Terminal Station near Oliver, B.C., as well as related transmission improvements between the substation site and Aquila’s nearby transmission Line 40, upgrades to some Okanagan and Boundary area terminal stations, telecommunication equipment, and modifications to the British Columbia Hydro and Power Authority (“B.C. Hydro”) 500 kV line, (collectively called “the Project”), and for the approval of certain agreements with B.C. Hydro (“the Aquila Application”).

In conjunction with the Aquila Application, B.C. Hydro applied to the Commission, pursuant to Section 60 of the Act, for approval of amendments to the General Wheeling Agreement and the Power Purchase Agreement between B.C. Hydro and Aquila (“the B.C. Hydro Application”).

THE REGULATORY PROCESS

The Commission will review the Aquila Application and the B.C. Hydro Application using a Written Public Hearing process according to the following Regulatory Agenda:

- Aquila and B.C. Hydro will hold a Technical Workshop on Wednesday, January 15, 2003 in Penticton at the Ramada Inn, 1050 West Eckhardt Avenue, starting at 1:30 p.m.
- Written information requests will be submitted to Aquila or B.C. Hydro by Friday, January 24, 2003.
- Aquila and B.C. Hydro will provide written responses by Friday, January 31, 2003.
- Interested Parties and Intervenors will submit written comments by Friday, February 14, 2003.
- Aquila and B.C. Hydro will provide final rebuttal or comments by Friday, February 21, 2003.

A decision by the Commission will follow.

PUBLIC INSPECTION OF THE DOCUMENTS

The Applications and supporting material are available for inspection at the following locations:

Aquila's Trail Head office at 1290 Esplanade

Public libraries in Oliver and Penticton

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, B.C., V6Z 2N3

The Applications are available for viewing on Aquila's web site at <http://www.aquilanetworks.ca>.

INTERVENTIONS

Persons who expect to actively participate in the written hearing process should register as Intervenors with the Commission, in writing, by Friday, January 10, 2003 identifying the nature of their interest in the Applications. Intervenors will receive copies of the Applications, all correspondence and filed documentation.

Persons not expecting to actively participate, but who have an interest in the Applications, should register in writing as Interested Parties with the Commission by Friday, January 10, 2003, and identify their interest in the matter. Interested Parties will receive a copy of Aquila's Executive Summary and B.C. Hydro's Application, along with all Orders and Decisions issued.

FURTHER INFORMATION

For further information, please contact Mr. Robert J. Pellatt, Commission Secretary, or Mr. Robert Rerie, Senior Electrical Engineer as follows:

Telephone: (604) 660-4700
Facsimile: (604) 660-1102

E-Mail: Commission.Secretary@bcuc.com
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