

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-104-04

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**An Application by Canadian Forest Products Ltd.
for an Exemption from the Utilities Commission Act (Steam Sales)**

BEFORE: L.F. Kelsey, Commissioner
K.L. Hall, Commissioner November 25, 2004

O R D E R

WHEREAS:

- A. Canadian Forest Products Ltd. ("CFP") owns and operates pulp and paper mills in Prince George, British Columbia (the "Pulp Mills"), from which steam has and will continue to be supplied to an adjacent chemical production facility (the "Chemical Facility"); and
- B. On August 29, 2003, the ownership and operation of the Chemical Facility was transferred from CFP to Chemtrade Pulp Chemicals Limited Partnership ("Chemtrade"); and
- C. Steam is provided to the Chemical Facility pursuant to an arms-length agreement negotiated between CFP and Chemtrade; and
- D. CFP produces steam at the Pulp Mills for use in the Pulp Mills. The steam provided from the Pulp Mills to the Chemical Facility is in excess of that required by CFP for use in industrial processes in the Pulp Mills; and
- E. On May 11, 2004, CFP applied to the Commission pursuant to Section 88 of the Utilities Commission Act, R.S.B.C. 1996, c. 473 (the "Act") for an Order exempting CFP, and its successors and assigns, from certain provisions of the Act in respect of the Pulp Mills and the provision of steam from the Pulp Mills to the Chemical Facility (the "Application"); and

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- F. The Commission has considered the Application and is satisfied that an Order exempting CFP from certain sections of the Act properly serves the public convenience and necessity; and
- G. On November 18, 2004, the approval of the Lieutenant Governor in Council was given to the said exemption by Order in Council No. 1096, 2004 attached to this Order as Appendix A.

NOW THEREFORE the Commission orders that CFP, its successors and assigns, are exempt from Section 71 and Part 3 of the Act (except Section 22), in respect of the Pulp Mills and the provision of steam to the Chemical Facility from the Pulp Mills.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of December 2004.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachment

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. **1096**, Approved and Ordered **NOV 18 2004**


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 issue an order to exempt Canadian Forest Products Ltd. from Section 71 and Part 3 (except Section 22) 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.

BCUC Log # 7786

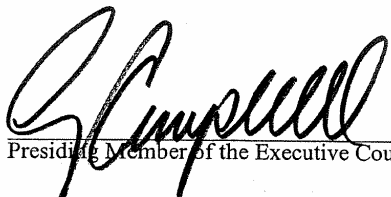
RECEIVED

NOV 19 2004

Routing Ccd to Comm & staff
L/S JWF; Isc to ord.



Attorney General and
Minister Responsible for Treaty
Negotiations



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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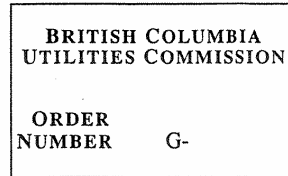
An Application by Canadian Forest Products Ltd.
for an Exemption from the Utilities Commission Act (Steam Sales)

BEFORE: _____, Commissioner)
_____, Commissioner) _____, 2004
_____)

O R D E R

WHEREAS:

- A. Canadian Forest Products Ltd. ("CFP") owns and operates pulp and paper mills in Prince George, British Columbia (the "Pulp Mills"), from which steam has and will continue to be supplied to an adjacent chemical production facility (the "Chemical Facility"); and
- B. On August 29, 2003 the ownership and operation of the Chemical Facility transferred from CFP to Chemtrade Pulp Chemicals Limited Partnership ("Chemtrade"); and
- C. The steam is provided to the Chemical Facility pursuant to an arms-length agreement negotiated between CFP and Chemtrade; and
- D. CFP produces steam at the Pulp Mills for use in the Pulp Mills. The steam provided from the Pulp Mills to the Chemical Facility is in excess of that required by CFP for use in industrial processes in the Pulp Mills; and
- E. On May 11, 2004 CFP applied to the British Columbia Utilities Commission (the "Commission") pursuant to section 88 of the Utilities Commission Act R.S.B.C. 1996, c. 473 (the "Act") for an order exempting CFP, and its successors and assigns, from certain provisions of the Act in respect of the Pulp Mills and the provision of steam from the Pulp Mills to the Chemical Facility; and



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F. The Commission has considered CFP's application and is satisfied that an order exempting CFP from certain sections of the Act properly serves the public convenience and necessity; and

G. On XXX the approval of the Lieutenant Governor in Council was given to the said exemption by Order in Council XXX attached to this order as Appendix A.

NOW THEREFORE the Commission, orders that CFP, its successors and assigns, is exempt from Section 71 and Part 3 of the Act (except Section 22) , in respect of the Pulp Mills and the provision of steam to the Chemical Facility from the Pulp Mills.

DATED at the City of Vancouver, in the Province of British Columbia, this _____ day of _____ 2004.

BY ORDER

Commissioner