



LETTER NO. L-52-04

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

ROBERT J. PELLATT
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>

Log No. 7548

VIA FACSIMILE
9, 604-521-8671

November 3, 2004

Mr. Henry Slama
Controller
Norampac Inc.
Burnaby Division
8255 Wiggins Street
Burnaby, B.C. V3N 2V7

Dear Mr. Slama:

Re: British Columbia Hydro and Power Authority ("BC Hydro")
Application from Norampac Inc. (Burnaby Division) ("Norampac")
for Force Majeure Relief from BC Hydro Rate Schedule 1821 Demand Charges

The Commission has reviewed your letter dated October 4, 2004 requesting Force Majeure relief from demand charges above its actual demand as the result of a labour disturbance at your Burnaby facility. In the letter, Norampac requests that the BCUC recognize that the extended strike action is a reflection of "unusual or unanticipated conditions or events." Norampac also requests that the Commission direct BC Hydro to extend Force Majeure relief to Norampac beyond the 60-day period already allowed and credit Norampac for the difference between the contract demand billed and actual demand for the period since June 9, 2004 when the period of Force Majeure relief ended.

The Commission has also reviewed BC Hydro's response to the Norampac request and the applicable provisions of the Electricity Supply Agreement ("ESA") which applies to Rate Schedule 1821 customers as Norampac.

The Commission concludes that a situation such as that facing Norampac, unfortunate as it may be, is not one that was unanticipated in the ESA. Section 18(d) of the ESA specifically contemplates and limits the extent of the Force Majeure relief to be granted to a Rate Schedule 1821 customer in the event of a labour disruption. BC Hydro has provided the maximum amount of the relief allowed in a single calendar year under the ESA, and the Commission concludes that BC Hydro has acted appropriately by doing so. The Commission notes that the ESA will allow Norampac a further 60 days of demand charge relief in 2005 should the strike extend that long.

Yours truly,

Original signed by

Robert J. Pellatt

RJP/rt
cc: Mr. Richard Stout
Chief Regulatory Officer
British Columbia Hydro and Power Authority