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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-99-05

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

and

**An Application by FortisBC Inc.
for Approval of a Subcontractor Agreement between
Fortis Pacific Holdings Inc. and FortisBC Inc.**

BEFORE:

L.F. Kelsey, Commissioner
L.A. Boychuk, Commissioner

October 6, 2005

O R D E R

WHEREAS:

- A. On September 23, 2005 FortisBC Inc. ("FortisBC") (formerly known as West Kootenay Power Ltd. ("WKP")) applied to the Commission for approval of a Subcontractor Agreement, dated September 12, 2005, between Fortis Pacific Holdings Inc. ("Fortis Pacific") and FortisBC for the supply of resources to the City of Kelowna ("City") ("Subcontractor Agreement"); and
- B. Pursuant to a Master Agreement, as amended, the City has engaged Fortis Pacific and Fortis Pacific has agreed to provide on the City's behalf, certain services in connection with the operation and maintenance of the electrical power distribution system serving the Kelowna area; and
- C. Previously, the Commission, by Letter No. L-2-01, approved for WKP (now FortisBC) and Utilicorp British Columbia Ltd. ("UCBC") a Subcontractor Agreement between WKP and UCBC ("Prior Subcontractor Agreement"). The Prior Subcontractor Agreement was for a period of five years commencing on January 22, 2001, the date of Commission approval by Letter No. L-2-01; and
- D. The Subcontractor Agreement extends the term of the Prior Subcontractor Agreement, which was set to expire on January 22, 2006, and remains in effect for such period of time as the Master Agreement, as amended from time to time, remains in effect; and

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- E. The Subcontractor Agreement conforms to FortisBC's Transfer Pricing Policy and Code of Conduct, approved by Commission Letter No. L-4-98; and
- F. The Commission has reviewed FortisBC's September 23, 2005 Application and finds that it should be approved.

NOW THEREFORE the Commission, pursuant to Section 61 of the Utilities Commission Act, approves the September 12, 2005 Subcontractor Agreement between Fortis Pacific and FortisBC for the supply of resources to the City of Kelowna.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of October 2005.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner