



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-157-06

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

and

**An Application by British Columbia Transmission Corporation
for Approval to Construct Interconnection Facilities
for the Zeballos Lake Hydro Power Project**

BEFORE: L.F. Kelsey, Commissioner December 7, 2006

O R D E R

WHEREAS:

- A. The Zeballos Lake Hydro Power Project (the "Project") is a generating facility to be located near Tahsis Village on Vancouver Island, the Project proponents have entered into an Electricity Purchase Agreement with British Columbia Hydro and Power Authority; and
- B. The British Columbia Transmission Corporation ("BCTC") included the expenditures to connect the Project to its transmission grid in its Transmission System Capital Plans that were approved by Commission Orders No. G-103-04 and G-91-05; and
- C. BCTC filed an update to its Transmission System Capital Plan for the period F2006 through F2015 on January 27, 2006 that requested approval of a number of new projects and the removal of 14 projects to connect Independent Power Producers. The interconnection of the Project was one of the 14 projects, which BCTC proposed be deferred until such time as the project proponents enter into facilities and interconnection agreements with BCTC; and
- D. In its Decision dated June 14, 2006 and Order No. G-67-06, the Commission approved the removal of the 14 projects, and directed that if any of the 14 projects are resurrected, BCTC must seek Commission approval for the capital expenditures at that time; and
- E. On November 29, 2006, BCTC applied for public interest approval pursuant to Section 45(6.2)(b) of the Utilities Commission Act (the "Act") to construct interconnection facilities for the Project (the "Application"); and
- F. The estimated cost of the facilities is \$3.75 million excluding GST; \$1.60 million of this amount is the cost of Direct Assignment Facilities that are funded by the Project proponent. The remaining \$2.16 million are Network Upgrades; and
- G. BCTC has entered into an Interconnection Agreement and a Facilities Agreement with the Project proponent, consistent with its Electric Tariff; and

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- H. In the Application, BCTC recognizes that the Commission may review any difference between the estimated and actual cost of the Network Upgrade Facilities when BCTC applies to have these costs recovered in a future revenue requirements proceeding; and
- I. The Commission has reviewed the Application and concludes that the expenditures to connect the Project are in the public interest.

NOW THEREFORE pursuant to Section 45(6.2)(b) of the Act, the Commission approves the \$3.75 million estimated total capital expenditures to construction interconnection facilities for the Project as being in the public interest.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of December 2006.

BY ORDER

Original signed by

L.F. Kelsey
Commissioner