

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** C-2-07

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

and

**An Application by British Columbia Hydro and Power Authority
for the Aberfeldie Redevelopment Project**

BEFORE: A.W.K. Anderson, Commissioner February 9, 2007

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

WHEREAS:

- A. British Columbia Hydro and Power Authority's ("BC Hydro") F2007 and F2008 Revenue Requirements Application ("F07/F08 RRA") Negotiated Settlement Agreement issued November 6, 2006, did not include an agreement among the Parties that expenditures referred to in the F07/F08 RRA in regard to the Aberfeldie Redevelopment Project ("Aberfeldie Project") were, or were not, in the interests of persons within British Columbia who receive, or who may receive, service from BC Hydro; and
- B. It was agreed that the Commission's current review of BC Hydro's proposed expenditures in regard to the Aberfeldie Project (initiated by the filing of the F07/F08 RRA) would continue and could, by Commission order, continue as an application for a Certificate of Public Convenience and Necessity ("CPCN"); and
- C. By letter dated November 15, 2006 to the Commission, and copied to the Intervenors in the F07/F08 RRA process, BC Hydro advised that with the filing contained in that letter, it believed it had placed on the record, or identified, all information materially relevant to the Aberfeldie Project; and
- D. By letter dated November 20, 2006, the Commission requested Intervenors in the F07/F08 RRA process to advise as to their positions as to whether more information was required regarding the Aberfeldie Project, and the process by which the application should proceed; and
- E. The Commission received several letters from Intervenors in the F07/F08 RRA process regarding the Aberfeldie Project in response to the Commission's letter dated November 20, 2006; and

- F. By Order No. G-149-06 dated November 29, 2006 (Exhibit A-1), the Commission directed BC Hydro to submit an application by Wednesday, December 6, 2006 for a CPCN to redevelop the Aberfeldie Redevelopment Project and established the Regulatory Timetable for a written public hearing for the regulatory review of this application; and
- G. By letter dated December 6, 2006 to the Commission (Exhibit B-5), BC Hydro applied for a CPCN in respect of the Aberfeldie Redevelopment Project (the “Application”); and
- H. By letter dated December 18, 2006 to the Commission (Exhibit B-7), BC Hydro provided an estimate of certain incremental costs to the project as a result of the CPCN-related provisions of Order No. G-149-06; and
- I. By letter dated December 20, 2006 (Exhibit C5-2), the Joint Industry Electricity Steering Committee (“JIESC”) requested that the Commission and BC Hydro take action to prevent certain extra costs from being incurred; and
- J. By letter dated December 22, 2006 (Exhibit B-8), BC Hydro stated it was supportive of an application to rescind those elements of Order No. G-149-06 (Exhibit A-1), that required the regulatory review of the Aberfeldie Project to proceed as a review of a CPCN application; and
- K. In a letter dated December 22, 2006 (Exhibit A-4), the Commission requested written comments from participants regarding whether the Commission should rescind the elements of Order No. G-149-06 that require the regulatory review of the Aberfeldie Project to continue through a CPCN application, and proceed with the review of the Project pursuant to Sections 45(6.2)(a) and (b) of the Utilities Commission Act (“the Act”); and
- L. The Commission received several communications from Intervenor (Exhibit C1-4, Exhibit C4-4, Exhibit C5-3, and Exhibit C6-2) in response to the Commission’s letter dated December 20, 2006; and

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** C-2-07

3

- M. In a letter dated January 26, 2006 (Exhibit A-5), the Commission reaffirmed the process and the Regulatory Timetable established by Order No. G-149-06 that required the regulatory review of the Aberfeldie Project to continue through a CPCN application; and
- N. The Commission has considered the Application and the evidence and submissions presented on the Application and has determined that it is in the public interest that a CPCN be issued to BC Hydro for the Aberfeldie Project subject to the directions set out in this Order.

NOW THEREFORE pursuant to Sections 45 and 46 of the Act the Commission orders as follows:

1. A Certificate of Public Convenience and Necessity is granted to BC Hydro for the Aberfeldie Project as described in the Application.
2. Following completion and placing into operation of the Aberfeldie Project, if BC Hydro seeks recovery of any costs associated with the Aberfeldie Project in excess of \$94 million, it shall file evidence demonstrating why such expenditures were the result of causes beyond its control or were otherwise required to be incurred.
3. BC Hydro is directed to file with the Commission quarterly progress reports on the Aberfeldie Project schedule, costs, and any variances or difficulties that the project may be encountering, followed by a final report upon project completion. BC Hydro is to determine the form and content of the reports in consultation with Commission staff.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of February 2007.

BY ORDER

Original signed by:

A.W.K. Anderson
Commissioner