

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-47-07

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 Canadian Hydro Developers, Inc.
for an Exemption from Part 3 and Section 71 of the Utilities Commission Act
for Sales of Electrical Power Services from the Upper Mamquam Hydro Facility**

BEFORE: L.F. Kelsey, Commissioner April 26, 2007

O R D E R

WHEREAS:

- A. Canadian Hydro Developers, Inc. ("Canadian Hydro") generates electrical power at the Upper Mamquam Hydro facility and is obligated to sell all electrical power to British Columbia Hydro and Power Authority ("BC Hydro") under the Upper Mamquam Energy Purchase Agreement ("EPA"); and
- B. Coastal Rivers Power LP ("Coastal Rivers"), a subsidiary of Epcor Power Limited Partnership ("Epcor"), is the owner of the Lower Mamquam Hydro facility, the intake works of which are located in proximity to the Upper Mamquam Hydro facility; and
- C. Canadian Hydro wishes to sell electrical power from the Upper Mamquam Hydro facility and Coastal Rivers wishes to purchase this electrical power for the purpose of supplying the intake works of the Lower Mamquam Hydro facility; and
- D. In a letter dated April 6, 2006 to Canadian Hydro, BC Hydro agreed to grant a waiver to Canadian Hydro relieving it of the Upper Mamquam EPA obligation to sell all electrical power to BC Hydro, subject to among other things, the amount of electrical energy not sold to BC Hydro not exceeding 40 MWh per year, and Canadian Hydro not losing its exemption from regulation as a "public utility"; and
- E. In a letter dated March 1, 2006 to the British Columbia Utilities Commission (the "Commission"), Canadian Hydro applied for an exemption for the sale of electricity to Epcor (in its capacity as General Partner for Coastal Rivers) and requested an exemption from being a regulated utility under the Utilities Commission Act (the "Act"); and
- F. In a letter dated April 18, 2006 to Canadian Hydro, the Commission requested Canadian Hydro to confirm that the Power Purchase Agreement between Canadian Hydro and Epcor had been finalized; and

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- G. In a letter dated October 17, 2006 to the Commission, Canadian Hydro confirmed that an Energy Purchase Agreement between Canadian Hydro and Epcor (as General Partner for Coastal Rivers) had been signed and fully executed; and
- H. The Commission has considered the application and is satisfied that an Order, under Section 88(3) of the Act, exempting the electrical power sales by Canadian Hydro to Coastal Rivers from the requirements under Section 71 and Part 3 (except Section 22), properly conserves the public interest; and
- I. On April 19, 2007, the approval of the Lieutenant Governor in Council was given to the said exemption by Order in Council No. 210, which is attached as Appendix A; and
- J. Section 99 of the Act provides that the Commission may reconsider, vary or rescind an Order made by it.

NOW THEREFORE the Commission orders as follows:

- 1. Pursuant to Section 88(3) of the Act, the Commission approves an exemption for Canadian Hydro from Section 71 and Part 3 of the Act (except Section 22 of the Act) for the sales of electrical power from the Upper Mamquam Hydro facility, and an exemption for Coastal Rivers from Section 71 with respect to such sales for the purpose of supplying the intake works of the Lower Mamquam Hydro facility.
- 2. The exemption will be effective the date of this Order.
- 3. Canadian Hydro is responsible for the safe and proper operation of its plant facilities consistent with the requirements of the Electrical Safety Branch.

DATED at the City of Vancouver, in the Province of British Columbia, this 27th day of April 2007.

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. 210 , Approved and Ordered APR 19 2007


Lieutenant Governor

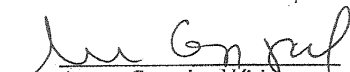
Executive Council Chambers, Victoria

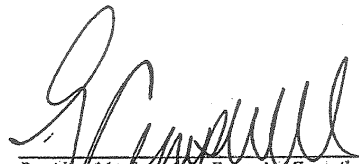
On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that approval is given to the British Columbia Utilities Commission to issue an exemption order for the purposes and subject to the terms set out in the attached draft order of the British Columbia Utilities Commission.

BCUC Log # 18877
RECEIVED

APR 22 2007

Routing Cdd to Comm & staff
4s JBW/ES


Attorney General and Minister
Responsible for Multiculturalism


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, R.S.B.C. 1996, c. 473, section 88 (3)

Other (specify):-

February 28, 2007

O/211/2007/4

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BEFORE:

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_____, Commissioner _____, 2007

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- I. On _____, 2007, the approval of the Lieutenant Governor in Council was given to the said exemption by Order in Council No. ___, which is attached as Appendix A; and
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3. Canadian Hydro is responsible for the safe and proper operation of its plant facilities consistent with the requirements of the Electrical Safety Branch.

DATED at the City of Vancouver, in the Province of British Columbia, this day of _____ 2007.

BY ORDER

Attachment