

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-148-08

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
to Amend Section 2.1 of Rate Schedule 3808 ("RS 3808")
Power Purchase Agreement

BEFORE: A.A. Rhodes, Commissioner
P.E. Vivian, Commissioner October 2, 2008
L.A. O'Hara, Commissioner

O R D E R

WHEREAS:

- A. On June 24, 2008 FortisBC Inc. ("FortisBC") filed its Umbrella Agreement ("UA") for Short-Term Firm Point to Point Transmission Service Agreement dated April 18, 2008 between FortisBC and the Corporation of the City of Nelson ("CON"), and the Power Coordination Agreement ("PCA") dated May 14, 2008 between FortisBC and CON with the British Columbia Utilities Commission ("the Commission"); and
- B. On June 25, 2008 the Commission requested comments from BC Hydro and Power Authority ("BC Hydro") on the UA and PCA (the "CON Agreements") filed by FortisBC as well as a response to queries posed by the Commission staff to BC Hydro and that BC Hydro file its comments by July 15, 2008. Also, the Commission advised BC Hydro that its comments would be forwarded to FortisBC for its reply; and
- C. On July 16, 2008 BC Hydro submitted its comments and reply, and indicated that at a minimum, a formal hearing process needs to be held to allow all interested parties an opportunity to review and comment on the CON Agreements; and
- D. On July 18, 2008 the Commission forwarded the BC Hydro comments and reply received on the CON Agreements to FortisBC and CON for reply by August 5, 2008; and
- E. On August 20, 2008 the Commission requested that BC Hydro provide its final reply by September 16, 2008 to the submissions of FortisBC and CON on the CON Agreements; and

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- F. On September 16, 2008 BC Hydro provided its final comments on the CON Agreements wherein it stated that BC Hydro did not purport to represent the interests of FortisBC's ratepayers whose interests may be affected by the CON Agreements and that BC Hydro's primary interest was with respect to FortisBC's reliance on RS 3808 Power Purchase Agreement ("PPA") purchases to replace power exported by the CON; and
- G. In addition to the final comments filed by BC Hydro on September 16, 2008 BC Hydro concurrently filed an application under subsections 58 (1) and (2) of the Utilities Commission Act ("the Act") for approval to amend section 2.1 of the PPA to clarify that electricity purchased by FortisBC under the PPA cannot be sold to FortisBC customers to replace electricity to be sold by those customers; and
- H. On September 25, 2008 BC Hydro and FortisBC both filed further submissions to the Commission stating that the only application that had been filed was with regard to BC Hydro's requested amendments to section 2.1 of the PPA, that any Commission review of the CON Agreements should be dealt with after a Commission decision had been reached on BC Hydro's application of September 16, 2008, and that the review of the CON Agreements should be in a separate process from BC Hydro's application; and
- I. On September 30, 2008 BC Hydro filed a letter of clarification stating that the application filed on September 16, 2008 should be considered as Exhibit B-1 in the proceeding to review the application to amend section 2.1 of the PPA, and that the CON Agreements and the previous submissions and comments filed by BC Hydro, FortisBC and CON, should also be made part of the evidentiary record; and
- J. The Commission considers that a written public hearing process is required for the review of the application to amend section 2.1 of the PPA and seeks comment by Thursday, October 16, 2008 from CON and FortisBC to enter into evidence all written filings, comments, submissions and replies currently filed with Commission on the CON Agreements.

NOW THEREFORE the Commission orders as follows:

- 1. The Commission, pursuant to subsections 58 (1) and (2) of the Act, establishes a written public hearing process for the review of the Application, in accordance with the Regulatory Timetable attached as Appendix A.
- 2. BC Hydro will provide a copy of this Commission Order and the Regulatory Timetable attached as Appendix A to this Order to all parties who participated in its F07/F08 Revenue Requirements Application and the 2007 Rate Design Application as well as those Intervenors currently participating in its F2009/F2010 Revenue Requirements Application.

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3. BC Hydro will provide a copy of this Commission Order and the Regulatory Timetable attached as Appendix A to this Order to all parties who participated in the FortisBC F07/F08 Revenue Requirements Application and the 2007 Rate Design Application.
4. BC Hydro will make available the Application with any supporting materials for inspection at the BC Hydro Head Office in Vancouver, on BC Hydro's website at <http://www.bchydro.com> and on the Commission's website at <http://www.bcuc.com>.
5. BC Hydro will arrange to make available the Application with any supporting materials at the FortisBC Offices in Kelowna and Trail and on FortisBC's website at <http://www.fortisbc.com>.
6. BC Hydro will arrange for early publication, in display ad format, the Notice of Application and Written Public Hearing Process, attached as Appendix B to this Order, in the Vancouver Sun, The Province, the Victoria Times Colonist, and in such other appropriate local news publications so as to provide adequate notice to the customers in its service area and in local news publications in Nelson, Castlegar, Creston, Grand Forks, Kelowna, Oliver, Osoyoos, Penticton and Trail so as to provide adequate notice to the customers in the FortisBC service area.
7. Intervenors and Interested Parties should register for the written public hearing process for the review of the Application with the Commission, in writing or by online web registration, by the date as set out in Appendix A to this Order. Intervenors should specifically state the nature of their interest in the Application and generally identify the nature of the issues that they intend to pursue during the written public hearing process and the nature and extent of their anticipated involvement in the review process.
8. Intervenors intending to apply for participant assistance must submit a budget estimate consistent with the Commission's Participant Assistance/Cost Award Guidelines and Order G-72-07 by the date as set out in Appendix A to this Order. Copies are available upon request or can be downloaded from the Commission's web site at <http://www.bcuc.com>.

DATED at the City of Vancouver, in the Province of British Columbia, this 2nd day of October 2008.

BY ORDER

Original signed by:

A.A. Rhodes
Commissioner

Attachments

An Application by British Columbia Hydro and Power Authority (“BC Hydro”)
to Amend Section 2.1 of Rate Schedule 3808 (“RS 3808”)
Power Purchase Agreement (“PPA”)

REGULATORY TIMETABLE

ACTION	DATE (2008)
Publication of the Notice of Application by BC Hydro	Friday, October 10
Commission Information Request No. 1 to BC Hydro	Wednesday, October 22
BC Hydro Responses to Commission Information Request No. 1	Wednesday, October 29
Registration of Intervenors and Interested Parties with the Commission	Friday, October 31
Intervenor Participant Assistance Budgets	Monday, November 3
Intervenor Information Request No. 1 to BC Hydro	Wednesday, November 5
BC Hydro Responses to Intervenor Information Request No. 1	Wednesday, November 19
Commission and Intervenors Information Request No. 2 to BC Hydro	Wednesday, November 26
BC Hydro Response to Commission and Intervenors Information Request No. 2	Wednesday, December 3
BC Hydro Final Submissions	Monday, December 8
Intervenor Final Submissions	Thursday, December 11
BC Hydro Reply Submission	Monday, December 15



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**NOTICE OF APPLICATION AND
WRITTEN PUBLIC HEARING PROCESS**

An Application by British Columbia Hydro and Power Authority
to Amend Section 2.1 of Rate Schedule 3808 ("RS 3808")
Power Purchase Agreement

THE APPLICATION

On September 16 and 25th 2008, pursuant to subsections 58 (1) and (2) of the Act, BC Hydro applied to the Commission for approval to amend the POWER PURCHASE AGREEMENT ("PPA"), effective October 1, 1993, by Commission Order G-85-93, to clarify that the electricity purchased by FortisBC under the PPA cannot be sold to FortisBC customers to replace electricity to be sold by those customers.

THE REGULATORY PROCESS

The Commission has established a Regulatory Timetable for a Written Public Hearing process to review the Application.

INTERVENTIONS

Persons who expect to actively participate in this Written Public Hearing process should register as Intervenors with the Commission, in writing, no later than Friday, October 31, 2008. Intervenors are requested to identify their interest in the Application. Intervenors will each receive a copy of the Application and all correspondence and filed documentation in accordance with the Commission's Document Filing Protocols.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as Interested Parties with the Commission, in writing, by the same date. Interested Parties will receive a copy of the Executive Summary in the Application and the Commission's Decision when issued.

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission's web site at www.bcuc.com .

The Commission Panel in a proceeding may award costs for participation, pursuant to the Participant Assistance/Cost Award Guidelines, under Section 118 of the Act. The Guidelines are available at www.bcuc.com/Guidelines.aspx. Participants intending to apply for participant assistance must file a budget by Monday, November 3, 2008.

PUBLIC INSPECTION OF THE DOCUMENTS

The Application and supporting materials will be available for inspection at the following locations:

British Columbia Utilities Commission

Sixth Floor, 900 Howe Street
Vancouver, B.C. V6Z 2N3
Telephone: 1-800-663-1385

Internet

www.bcuc.com

FortisBC Inc.

Head Office
1975 Springfield Road, Suite 100
Kelowna, B.C. V1Y 7V7

Internet

www.fortisbc.com

FortisBC Inc.

Trail Office
1290 Esplanade
Trail, B.C. V1R 4L4

Internet

www.fortisbc.com

BC Hydro

17th Floor, 333 Dunsmuir Street
Vancouver, B.C. V6B 5R4
Telephone: (604) 623-4046

Internet

www.bchydro.com

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission's web site.

FURTHER INFORMATION

For further information, please contact the Commission Secretary as follows:

Telephone: (604) 660-4700
Facsimile: (604) 660-1102

B.C. Toll Free: 1-800-663-1385
E-Mail: commission.secretary@bcuc.com