

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-154-08**

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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 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 21, 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 British Columbia 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 Commission staff to BC Hydro and that BC Hydro file its comments by July 15, 2008. 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 BC Hydro's 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 Rate Schedule 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. On September 30, 2008 BC Hydro filed a letter, Exhibit B-3, requesting that certain documents be made part of the evidentiary record of the written proceeding to review the Application; and
- K. By Order G-148-08 dated October 2, 2008, the Commission established a written public hearing process and a Regulatory Timetable for the review of the Application; and
- L. On October 8, 2008 Zellstoff Celgar Limited Partnership ("Celgar") filed a letter, Exhibit C2-1, noting that Intervenor must be given the right to present evidence; and
- M. On October 16, 2008 the CON responded to the Commission's request for comments on the admission into evidence of all written filings, comments, submissions and replies currently filed with Commission on the CON Agreements; and
- N. On October 16, 2008 FortisBC responded to the Commission's request for comments and advised that it has no objection to the admission into evidence of all written filings, comments, submissions and replies currently filed with Commission on the CON Agreements; and

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- O. The Commission has considered the comments from CON and FortisBC concerning the admission into evidence of all written filings, comments, submissions and replies currently filed with Commission on the CON Agreements; and the comments of Celgar regarding the need for an evidentiary phase in this written proceeding.

NOW THEREFORE the Commission orders as follows:

1. The Commission amends the written public hearing process for the review of the Application, in accordance with the Amended Regulatory Timetable attached as Appendix A to this Order.
2. The Commission will admit all written filings, comments, submissions and replies currently filed with Commission on the CON Agreements as set out in Appendix B of this Order into evidence and will post these documents on the Commission website www.bcuc.com.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd 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")
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Power Purchase Agreement ("PPA")

AMENDED 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 Intervenor and Interested Parties with the Commission	Friday, October 31
Intervenor Participant Assistance Budgets	Monday, November 3
Intervenor Information Requests No. 1 to BC Hydro	Wednesday, November 5
BC Hydro Responses to Intervenor Information Requests No. 1	Wednesday, November 19
Commission and Intervenor Information Requests No. 2 to BC Hydro	Wednesday, November 26
BC Hydro Responses to Commission and Intervenor Information Requests No. 2	Wednesday, December 3
Submission of Intervenor Evidence	Monday, December 8
Commission, Applicant and Intervenor Information Requests No. 3 on Intervenor Evidence	Monday, December 15
Intervenor Response to Commission, Applicant and Intervenor Information Requests No. 3	Monday, December 22
	DATE (2009)
BC Hydro Final Submissions	Monday, January 5
Intervenor Final Submissions	Monday, January 12
BC Hydro Reply Submission	Monday, January 19

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COMMISSION EVIDENTIARY RECORD

Exhibit No.	Description
A-2	Letter dated June 25, 2008 to BC Hydro requesting comment on the CON Agreements
A-3	Letter dated July 14, 2008 to Nelson Hydro granting the request to participate
A-4	Letter dated July 14, 2008 to Mercer International (Celgar) refusing a request to participate in the process
A-5	Letter dated July 18, 2008 to FortisBC requesting comments on BC Hydro letter dated July 16, 2008
A-6	Letter dated July 29, 2008 to Nelson Hydro and FortisBC extending the deadline for responses to August 14, 2008
A-7	Letter dated August 20, 2008 to BC Hydro requesting a response to the FortisBC and Nelson Hydro submissions
B-4	BC Hydro's July 16, 2008 response to the Commission's letter of June 25, 2008
C1-3	Letter dated July 11, 2008 to the Commission from Nelson Hydro requesting to participate
C1-4	Letter dated July 23, 2008 to the Commission requesting an extension until August 14, 2008
C1-5	Nelson Hydro August 14, 2008 response to Commission letter dated July 18, 2008 including Attachments A and B
C2-2	Letter dated July 11, 2008 to the Commission from Celgar requesting to participate
C4-3	FortisBC June 24, 2008 filing of Short-Term Firm or Short Term Non-Firm Service and the Power Coordination Agreement with the City of Nelson
C4-4	FortisBC August 14, 2008 response to Commission letter dated July 18, 2008