



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-94-09**

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
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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
Gordon M. Shrum Units 1 to 5 Turbine Replacement Project**

BEFORE: L.F. Kelsey, Commissioner August 14, 2009

O R D E R

WHEREAS:

- A. On August 5, 2009, British Columbia Hydro and Power Authority ("BC Hydro") filed with the Commission an Application for acceptance, pursuant to Section 44.2(1)(b) of the Utilities Commission Act (the "Act"), that capital expenditures BC Hydro anticipates making in respect of the Gordon M. Shrum ("GMS") Units 1 to 5 Turbine Replacement Project (the "Project") are in the public interest; and
- B. BC Hydro applied for acceptance of the capital expenditures in the schedule pursuant to section 44.2(3)(a) of the UCA, rather than for approval of a Certificate of Public Convenience and Necessity ("CPCN") under sections 45 and 46 of the Act, but states that the Application has been structured to comply with the Commission's current CPCN Application Guidelines; and
- C. In the capital plan submitted as part of the F2009 and F2010 Revenue Requirements Application ("F09/F10 RRA") BC Hydro forecasted it would incur capital expenditures of \$6.4 million to the end of F2010 in respect of the Project and estimated that the cost for the Project would fall within a range of cost of \$170 million to \$240 million; and
- D. Since the F09/F10 RRA, the Project was updated to reflect the results of analysis of the GMS Unit 3 failure and the Project Expected Cost is now \$262 million and the Authorized Cost is \$319 million, and the first Unit will be in service November 2010 and the entire Project is expected to be complete by March 2017; and
- E. The primary justification for the Project is the unsatisfactory condition of the GMS Units 1 to 5 turbines and the associated high business risks; and

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- F. The Project involves replacing the Units 1 to 5 turbines. Specifically, this will include designing and manufacturing new turbine runners, wicket gates, wicket gate operating mechanisms and head covers and overhauling the remaining turbine components; and
- G. BC Hydro proposes to hold a Workshop on the Mica GIS Project and the Gordon M. Shrum Units 1 to 5 Turbine Replacement Project in the Commission Hearing Room on the Twelfth Floor, 1125 Howe Street, Vancouver, BC on Wednesday, August 26, 2009 commencing at 9:00 a.m.; and
- H. The Commission considers that a written public hearing is required for the regulatory review of the Application.

NOW THEREFORE the Commission orders as follows:

- 1. The Commission establishes a written public hearing process for the review of the Application according to the Regulatory Timetable set out in Appendix A to this Order.
- 2. BC Hydro will publish, as soon as possible, in display-ad format, the Notice attached as Appendix B to this Order, in the Vancouver Sun, the Province, the Victoria Times Colonist and such other appropriate local news publications as may properly provide adequate notice to residents in the vicinity of the Project.
- 3. BC Hydro will provide a copy of the Application and this Order to any potentially affected First Nation and Tribal Councils.
- 4. The Application, together with any supporting materials, will be made available for inspection at the BC Hydro offices at 333 Dunsmuir Street, Vancouver, BC, V6B 5R3 and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3 and will also be available on the BC Hydro website.
- 5. Intervenor or Interested Parties should register with the Commission in writing or by electronic submission by Thursday, September 3, 2009. Intervenor should specifically state the nature of their interest in the Application and identify generally the nature of the issues that they may intend to pursue during the proceeding and the nature and extent of their anticipated involvement in the review process.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of August 2009.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachments

ORDERS/G-94-09_BCH-Gordon Shrum Project_Reg Timetable



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REGULATORY TIMETABLE

ACTION	DATE (2009)
BC Hydro Workshop	Wednesday, August 26
Commission Information Requests No. 1	Wednesday, September 2
Intervenor and Interested Party Registration	Thursday, September 3
Participant Assistance Budgets	Thursday, September 10
BC Hydro Responses to Commission Information Requests No. 1	Monday, September 28
Commission Information Requests No. 2 and Intervenor Information Requests No. 1	Thursday, October 8
BC Hydro Responses to Commission Information Requests No. 2 and Intervenor Information Requests No. 1	Monday, October 26
BC Hydro Final Written Submission	Thursday, November 5
Intervenor Final Written Submissions	Thursday, November 12
BC Hydro Reply Written Submission	Thursday, November 19



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NOTICE OF APPLICATION AND WRITTEN PUBLIC HEARING

THE APPLICATION

On August 5, 2009, British Columbia Hydro and Power Authority ("BC Hydro") filed with the Commission an Application for acceptance, pursuant to Section 44.2(1)(b) of the Utilities Commission Act (the "Act"), that capital expenditures BC Hydro anticipates making in respect of the GMS Units 1 to 5 Turbine Replacement Project (the "Project") are in the public interest.

The Project, located on the Peace River near Hudson's Hope in North Eastern British Columbia, involves replacing Units 1 to 5 turbines. Specifically, this will include designing and manufacturing new turbine runners, wicket gates, wicket gate operating mechanisms and head covers and overhauling the remaining turbine components. The Project has an Expected Cost and an Authorized Cost of \$262 million and \$319 million respectively, and the expected in-service date is March 2017.

THE REGULATORY PROCESS

Order No. G-94-09 established the Regulatory Timetable for the review of the Application by way of a Written Public Hearing.

The detailed Regulatory Timetable can be reviewed on the Commission's website <http://www.bcuc.com> >Proceedings&Agendas>Current Applications.

INTERVENTIONS

Persons who expect to actively participate in the BC Hydro proceeding should register as Intervenor with the Commission, in writing, by **Thursday, September 3, 2009** and identify their interest in the Application. Intervenor will receive copies of the Application as well as all correspondence and filed documentation and should provide an email address if available.

Persons not expecting to actively participate in the BC Hydro proceeding, but who have an interest in the Application, should register as Interested Parties with the Commission, in writing, by **Thursday, September 3, 2009** and identify their interest in the Application. Interested Parties will receive a copy of the Executive Summary of the Application and all Orders issued.

PUBLIC INSPECTION OF THE DOCUMENTS

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

BC Hydro
333 Dunsmuir Street, 17th Floor
Vancouver, BC V6B 5R3
Telephone No. (604)623-4046
Fax No. (604)623-4407
Email: bchydroregulatorvgroup@bchydro.com
Attention: Ms. Joanna Sofield, Chief Regulatory Officer

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, BC V6Z 2N3
Telephone: 1-800-663-1385
<http://www.bcuc.com>

FURTHER INFORMATION

For further information, please contact Ms. Erica Hamilton, Commission Secretary as follows:

Commission Secretary
Telephone: (604) 660-4700
Facsimile: (604) 660-1102
Email: Commission.Secretary@bcuc.com
BC Toll Free: 1-800-663-1385