

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-97-09A

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>

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 Acquisition from Teck Metals Ltd. of an Undivided One-Third Interest
in the Waneta Dam and Associated Assets

BEFORE: A.W.K. Anderson, Commissioner
and Panel Chair August 24, 2009
D.A. Cote, Commissioner

O R D E R

WHEREAS:

- A. On June 17, 2009 British Columbia Hydro and Power Authority ("BC Hydro") entered into a non-binding master terms sheet (the "Term Sheet") with Teck Metals Ltd. and Teck Resources Limited (collectively "Teck") that contemplates the sale and purchase of an undivided one-third interest in the Waneta Dam on the Pend d'Oreille River and associated assets (the "Waneta Assets"); and
- B. On July 6, 2009 BC Hydro applied (the "Application") pursuant to section 44.2(1) of the *Utilities Commission Act* (the "Act") requesting acceptance by the British Columbia Utilities Commission (the "Commission") that proceeding with the expenditures contemplated in the Term Sheet are in the public interest pursuant to section 44.2(3)(a) of the Act; and
- C. The scheduled expenditures consist of an \$825 million payment to Teck plus transaction costs estimated at \$25 million; and
- D. In the Application BC Hydro proposes to file the definitive agreement(s) (the "Definitive Agreements") providing the terms under which Teck will sell and BC Hydro purchase the Waneta Assets, with the Commission; and
- E. The Definitive Agreements will include a co-ownership and operating agreement (the "Operating Agreement") with Teck, providing that Teck as majority owner and current operator of the Waneta Dam, will be empowered to make certain expenditures that are required to reflect good utility practice and to charge BC Hydro for one-third of such expenditures in accordance with the terms of the Definitive Agreements; and

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-97-09A**

2

- F. In the Application BC Hydro seeks the Commission's acknowledgement that the relationship in the Operating Agreement is in the public interest; and
- G. The justification in the Application of the purchase of the Waneta Assets was based in part on the analysis filed by BC Hydro in its 2008 Long Term Acquisition Plan ("2008 LTAP"), and BC Hydro stated that it will update the Application, if necessary, after it has reviewed the Commission's Decision on the 2008 LTAP; and
- H. Pursuant to Order G-88-09 dated July 15, 2009 the Commission held a Procedural Conference on August 17, 2009 to hear submissions on the regulatory process for the review of the Application; and
- I. At the Procedural Conference, BC Hydro committed to filing by September 22, 2009 the Definitive Agreements, a First Nation Consultation Report and a report on the results of its due diligence investigation; and
- J. The Commission has considered the submissions at the Procedural Conference and concluded that, relying on the commitment of BC Hydro to file the Definitive Agreements and reports by September 22, 2009, 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 for the review of the Application according to the Regulatory Timetable that is attached as Appendix A to this Order.
- 2. BC Hydro will provide a copy of this Order to all potentially affected First Nations and Tribal Councils.
- 3. A Workshop regarding the Application will be held on Tuesday, September 29, 2009, commencing at 9:00 a.m. in the Commission Hearing Room on the Twelfth Floor, 1125 Howe Street, Vancouver, BC. Participants are requested to advise the Commission and BC Hydro by Thursday, September 24, 2009 if they plan to attend the Workshop and to identify the number of persons from their organization that plan to attend.
- 4. Participants wishing to request an oral evidentiary phase for the hearing will apply to the Commission in writing by Friday, October 30, 2009 with the reasons supporting their request and will outline the changes to the Regulatory Timetable that they propose.
- 5. Participants who wish to reply to an application for an oral evidentiary phase for the hearing will do so in writing by Friday, November 6, 2009.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-97-09A**

3

6. A Community Input Session will be held on Thursday, November 5, 2009 at the Best Western Terra Nova Hotel at 1001 Rossland Avenue, Trail, BC, commencing at 1:30 p.m.
7. Parties wishing to make a presentation to the Commission Panel should contact Paul Miller, Commission Counsel, at pmiller@boughton.ca or 604-647-4102 by Thursday, October 29, 2009. If fewer than ten presentations are scheduled by October 29, 2009 then the Community Input Session will be cancelled.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of August 2009.

BY ORDER

Original signed by:

A.W. Keith Anderson
Commissioner and Panel Chair

Attachment

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



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

An Application by British Columbia Hydro and Power Authority
for the Acquisition from Teck Metals Ltd. of an Undivided One-Third Interest
in the Waneta Dam and Associated Assets

REGULATORY TIMETABLE

ACTION	DATE (2009)
Commission Information Request No. 1	Thursday, July 23
Registration of Intervenor and Interested Parties with the Commission	Wednesday, August 5
BC Hydro Responses to Information Request No. 1	Tuesday, August 11
Procedural Conference	Monday, August 17
BC Hydro files Definitive Agreements, Reports and Updates	Tuesday, September 22
Workshop in Vancouver, commencing 9:00 a.m.	Tuesday, September 29
Commission Information Request No. 2 and Intervenor Information Request No. 1	Monday, October 5
Participant Assistance Budgets	Tuesday, October 13
BC Hydro responses to Information Requests	Friday, October 23
Registrations for Presentations at Community Input Session	Thursday, October 29
Intervenor written Evidence	Friday, October 30
Applications for an Oral Phase of the Hearing	Friday, October 30
Information Requests to Intervenor	Wednesday, November 4
Community Input Session in Trail, commencing 1:30 p.m.	Thursday, November 5
Replies to Applications for an Oral Phase	Friday, November 6
Intervenor Responses to IRs	Wednesday, November 18
BC Hydro written Final Submission	Wednesday, November 25
Intervenor written Final Submissions	Friday, December 4
BC Hydro written Reply	Friday, December 11