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VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER E-28-10**

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

**A Filing by FortisBC Inc.
of an Electricity Purchase Agreement**

BEFORE: D.A. Cote, Commissioner
A.A. Rhodes, Commissioner

September 16, 2010

O R D E R

WHEREAS:

- A. On May 26, 2010, FortisBC Inc. (FortisBC) filed an Electricity Purchase Agreement (EPA) dated November 6, 2009 between FortisBC and Powerex Corp. (Powerex) with the British Columbia Utilities Commission (the Commission), pursuant to section 71 of the *Utilities Commission Act*. The EPA was made in accordance with the Western Systems Power Pool Agreement;
- B. The Commission has considered the filing and has determined that the EPA is in the public interest.

NOW THEREFORE the Commission orders that the agreement, set out in Appendix A to this Order, is accepted for filing as an energy supply contract pursuant to section 71 of the *Utilities Commission Act*.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of September 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner

Attachment



Powerex Corp.
Suite 1400 - 666 Burrard Street
Vancouver BC, Canada V6C 2X8

Appendix A
604 891 5000 PHONE
800 220 4907 TOLL FREE
www.powerex.com

CONFIRMATION AGREEMENT BETWEEN
Powerex Corp. and FortisBC Inc.
Deal No. CIK385

This document ("Confirmation") confirms the agreement between Powerex Corp. ("Powerex") and FortisBC Inc. ("FortisBC") regarding the sale and purchase of Capacity, in accordance with the Western System Power Pool Agreement effective as of the Effective Date ("WSPP Agreement"), as amended and supplemented by this Confirmation under the following terms and conditions (all capitalized terms used herein shall have the meanings attributed to them in the WSPP Agreement unless otherwise stated). In the event of any conflict between the terms of the WSPP Agreement and this Confirmation, this Confirmation will govern.

The rights and obligations of Powerex and FortisBC under this Confirmation are subject to, and will become effective only upon, the closing of the purchase and sale contemplated by the Waneta Dam Asset Purchase Agreement between Teck Metals Ltd., BC Hydro and others (the "Effective Date").

Seller: Powerex Michael Corrigan Ph: (604) 891-5082 Fax: (604) 891-5056

Purchaser: FortisBC Dave Cochrane Ph: (250) 368-0547 Fax: (250) 368-4955

Products:
Product 1: Monthly On-Peak Capacity
Product 2: Sundays and NERC Holidays Capacity
Product 3: Hour Ending 2300 Pacific Prevailing Time ("PPT") Capacity

Term: November, December, January, February for 7 winter periods (2010-2016), commencing Hour Ending ("HE") 01 on the day following the Effective Date.

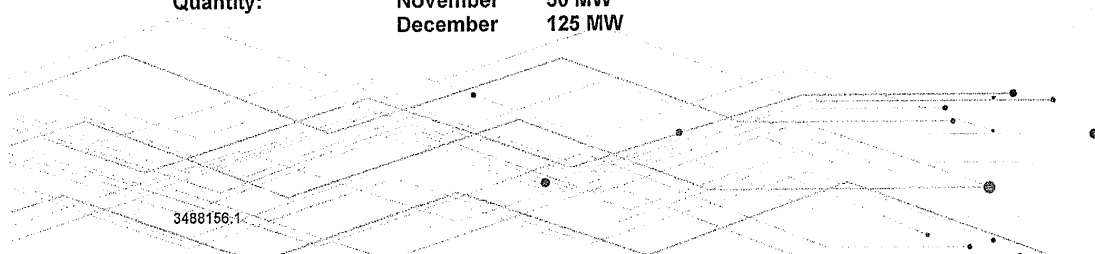
Period of Delivery: Product 1: On-Peak: Hours Ending ("HE") 0700 through HE 2200 (16 hours per day) PPT, Monday through Saturday (6 days per week), excluding NERC holidays.

Product 2: Sundays and NERC Holidays: HE 0100 through HE 2400 (24 hours per day) PPT, Sundays and NERC Holidays (as requested by FortisBC pursuant to Product Availability and Scheduling terms below).

Product 3: HE 2300, (1 hour per day) PPT, Monday through Saturday (6 days per week), excluding NERC holidays (as requested by FortisBC pursuant to Product Availability and Scheduling terms below).

Delivery Points: Kootenay Interconnection.

Quantity:
November 50 MW
December 125 MW



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Appendix A

January 150 MW
February 75 MW

The Capacity Quantity stated for each month shall apply equally to each Product defined in this Confirmation.

Price:

January - February 2010 (if applicable)	USD \$ 5,184 MW/month
November 2010 – February 2011	USD \$ 5,749 MW/month
November 2011 – February 2012	USD \$ 5,997 MW/month
November 2012 – February 2013	USD \$ 6,747 MW/month
November 2013 – February 2014	USD \$ 7,054 MW/month
November 2014 – February 2015	USD \$ 7,311 MW/month
November 2015 – February 2016	USD \$ 7,385 MW/month

The monthly payment (in USD \$) under this Confirmation shall be calculated as the monthly Quantity (in MW) * applicable Price (in USD \$ per MW/month).

In the event that the Term commences on a day other than the first day of the applicable month, the monthly payment shall be pro-rated and calculated as follows: monthly Quantity (in MW) * applicable Price (in USD \$ per MW/month) * (remaining HLH in month / total HLH in month)

Product Availability and Scheduling:

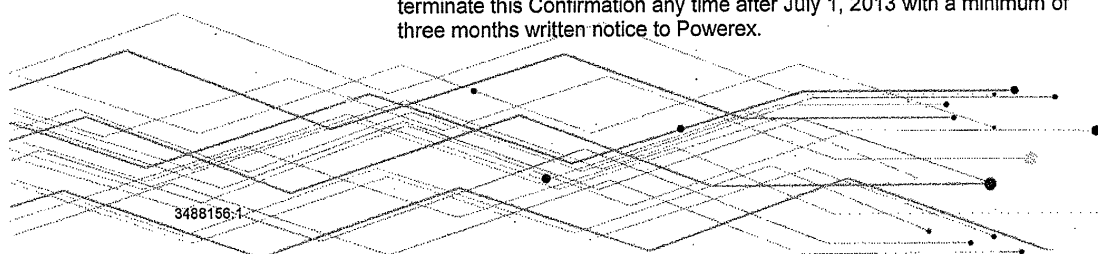
Product 1: During the Term of the Agreement Product 1 shall be made available to FortisBC for all hours during the Period of Delivery.

Product 2: During the Term of the Agreement and for each Winter Period (November – February), FortisBC may request on up to 6 separate occasions that Product 2 be made available to FortisBC with 48 hours notice. For greater certainty, FortisBC must advise Powerex by calling the Trade Desk at 604-891-5007 (891-5091 after business hours) by 00:00 two days prior to the requirement for Product 2.

Product 3: During the Term of the Agreement and for each Winter Period (November – February), FortisBC may request on up to 16 separate occasions that Product 3 be made available to FortisBC with 6 hours notice. For greater certainty, FortisBC must advise Powerex by 16:00 by calling the Real-Time Trade Desk at 604-891-5081 on the day Product 3 is required.

Termination Provision:

FortisBC's 2009 Resource Plan details a Preferred Resource Strategy which includes capital expenditures to add thermal and hydro generation resources by 2014. If FortisBC brings any of these capital or contractual projects on-line prior to the expiry of this Agreement, FortisBC may terminate this Confirmation any time after July 1, 2013 with a minimum of three months written notice to Powerex.



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Appendix A

**Additional
Provisions:**

1. Absent the agreement of all parties to the proposed change, the standard of review for changes to this Confirmation proposed by a non-party or the Federal Energy Regulatory Commission acting *sua sponte*, shall be the "public interest" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (the "Mobile-Sierra" doctrine).

ACKNOWLEDGED AND AGREED TO:

Powerex Corp.

By: _____

Name: Joe Miller

Title: C.F.O.

Date: November 6, 2009

FortisBC Inc.

By: _____

Name: _____

Title: _____

Date: _____

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Appendix A

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ACKNOWLEDGED AND AGREED TO:

Powerex Corp.

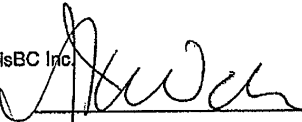
By: _____

Name: _____

Title: _____

Date: _____

FortisBC Inc.

By: 

Name: John Walker

Title: President + CEO

Date: November 6, 2009

