



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

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-42-12**

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 Permanently Cease Operations at the Heber Diversion Dam**

BEFORE:

L.F. Kelsey, Commissioner
C.A. Brown, Commissioner
D.M. Morton, Commissioner
N.E. MacMurchy, Commissioner
R.D. Revel, Commissioner

April 5, 2012

O R D E R

WHEREAS:

- A. On January 13, 2012, British Columbia Hydro and Power Authority (BC Hydro) filed an application (the Application) with the British Columbia Utilities Commission (the Commission) under section 41 of the *Utilities Commission Act* (the Act), for permission to permanently cease operation of the Heber Diversion Dam, Pipeline and In-stream structures (Heber Diversion), located on Central Vancouver Island;
- B. The Heber Diversion is not in use as it is currently inoperable without additional work and is near end-of-life;
- C. From 1999 to 2003, BC Hydro took part in a consultative process with various government agencies, First Nations and other stakeholders as part of the Campbell River System Water Use Plan (WUP) process. First Nations participating in the WUP process, Fisheries and Oceans Canada, BC Parks and the BC Ministry of Environment expressed views that the Heber Diversion should be decommissioned. In 2003, a consensus was reached among all parties involved in the Campbell River System WUP process to decommission the Heber Diversion;
- D. Government agencies and First Nations have been advised of, and either support or do not oppose BC Hydro's proposal to permanently cease operation of the Heber Diversion;
- E. On January 23, 2012, the Commission issued Order G-6-12, which established the Notice of the Application and the Regulatory Timetable for a Written Public Hearing process having one round of information requests to review the Application under section 41 of the Act;
- F. Order G-6-12 directed BC Hydro to provide direct notice of the public hearing process to four customer interveners: the Association of Major Power Customers of B.C., British Columbia Old Age Pensioners' Organization, BC Sustainable Energy Association and the Commercial Energy Consumers Association, as well as the Mowachaht Muchalaht First Nation;

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-42-12

2

- G. The review of the Application was completed on March 14, 2012, in accordance with the Regulatory Timetable;
- H. The Commission has considered the Application, evidence, and submissions of both the British Columbia Old Age Pensioners' Organization, the only Intervener, and BC Hydro;
- I. The Application was unopposed;
- J. If an application is unopposed, the Commission may, and at the request of the applicant, prepare written reasons for its decision. Accordingly, having received no such request from the applicant, no reasons for decision accompany this order.

NOW THEREFORE the Commission orders, pursuant to section 41 of the Act that:

1. The Commission grants BC Hydro permission to permanently cease operation of the Heber Diversion, located on Central Vancouver Island, and determines that BC Hydro's proposed preferred alternative means of completing the project, at a cost of \$15,349,000, is cost-effective and in the public interest.
2. BC Hydro is to file a report with the Commission upon completion of the project, summarizing the costs and their accounting treatment.
3. The Commission directs BC Hydro to seek agreement from Fisheries and Oceans Canada, BC Ministry of Transportation, BC Parks and other government agencies and stakeholders that administer properties and/or that maintain a direct responsibility for, over or associated with the site, that they will accept the BC Ministry of Environment's determination of the satisfactory remediation of the contaminated site and that upon satisfactory completion of the project, BC Hydro will no longer have any connection or responsibility for, over or associated with the former site of the Heber Diversion. BC Hydro is directed to report the outcome on these agreements in its project completion report.
4. The Commission Panel directs BC Hydro to report all expenditures, to be recovered in rates, related to the site of the former Heber Diversion that occur more than three years after project completion.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of April 2012.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner