



PROVINCE OF BRITISH COLUMBIA

**BRITISH COLUMBIA
UTILITIES COMMISSION**

ORDER

NUMBER G-61-86

BRITISH COLUMBIA UTILITIES COMMISSION

IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

IN THE MATTER OF Matters in Dispute between
British Columbia Hydro and Power Authority and
West Kootenay Power and Light Company, Limited

BEFORE: M. Taylor,)
Chairman;)
J.D.V. Newlands,)
Deputy Chairman;)
D.B. Kilpatrick,) October 15, 1986
Commissioner; and)
N. Martin,)
Commissioner)

O R D E R

WHEREAS Commission Orders No. G-88-85 and G-89-85
established that a public hearing of certain matters in dispute
between B.C. Hydro and Power Authority ("B.C. Hydro") and West
Kootenay Power and Light Company, Limited ("WKPL") should commence
on December 11, 1985; and

WHEREAS the said hearing was adjourned to April 18,
1986 in accordance with the Commission's Adjournment Decision
dated December 18, 1985 following an Application by B.C. Hydro; and

WHEREAS the said hearing was adjourned to May 12,
1986 as a result of extensive evidence filed on March 25, 1986 by
B.C. Hydro; and

WHEREAS the hearing enabled the Commission to review
the following issues, formally identified in the aforementioned
Adjournment Decision, as follows:

- (a) The November 7, 1985 application of WKPL pursuant to
Sections 28, 32, 88 and 100 of the Utilities
Commission Act ("the Act") to allow wheeling of WKPL
power over B.C. Hydro facilities between South Slocan
and delivery points at Vernon, Princeton and Creston
at existing rates. Further, to allow emergency
wheeling over B.C. Hydro facilities in the event of
the loss of the Waneta-Boundary (transmission) line.

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- (b) The November 22, 1985 complaint of WKPL pursuant to Section 64 of the Act that B.C. Hydro Rate Schedule 1211 proposed to be charged for service to WKPL is unjust and unreasonable.
- (c) The November 29, 1985 application by B.C. Hydro pursuant to Section 67 of the Act to establish rates with respect to the unexecuted General Wheeling Agreement.
- (d) The complaint of WKPL in connection with B.C. Hydro's proposed General Wheeling Agreement rates; and

WHEREAS the Commission has considered the evidence adduced at the hearing.

NOW THEREFORE the Commission hereby orders B.C. Hydro and Power Authority and West Kootenay Power and Light Company, Limited as follows:

- 1. Both parties are to enter into a long-term contract which will recognize a transitional period to December 31, 1990; followed by a conventional period thereafter to and including 2005.
- 2. For the transitional period the rate for electric power purchased by WKPL from B.C. Hydro will be predicated on a Demand Charge of \$3,500 per MW per month and an Energy Charge equal to the sum of such charges in Rate Schedules 1821 and 1899, or currently approximately 22.4 mills per kWh, with the further provision that a Demand Ratchet clause will apply as follows:

| <u>Year</u> | <u>% Ratchet</u> |
|-------------|------------------|
| 1986 | Zero |
| 1987 | 10 |
| 1988 | 20 |
| 1989 | 30 |
| 1990 | 40 |
| Thereafter | 50 |

- 3. Firm wheeling rates covering the transmission of WKPL energy over the transmission facilities of B.C. Hydro will be as follows:

| | |
|--------------|------------------|
| To Vernon | \$19,000/MW/Year |
| To Creston | \$11,000/MW/Year |
| To Princeton | \$45,000/MW/Year |

Such firm wheeling rates will require firm nominations and WKPL is required to nominate for 5 years.

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4. The contract for the aforementioned rates for power purchased by WKPL from B.C. Hydro and for wheeling of WKPL energy over B.C. Hydro transmission facilities is to be concluded between the two parties as soon as possible and will cover the period from the date of this Order to December 31, 2005. Such contract shall include terms and conditions covering purchased power rates as specified in Section 4.3 of the Decision issued concurrently with this Order, and terms and conditions covering wheeling as specified in Section 6.3 of the Decision.
5. Future changes in the rates determined by this Decision shall be limited to and applied on the same percentage basis as any future approved changes in Rate Schedules 1821 and 1899.

DATED at the City of Vancouver, in the Province of
British Columbia, this 15th day of October, 1986.

BY ORDER



Chairman