



BRITISH COLUMBIA UTILITIES COMMISSION	
ORDER NUMBER	G-20-88

PROVINCE OF BRITISH COLUMBIA

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 an Application by  
West Kootenay Power and Light Company, Limited  
for an Energy Project Certificate

BEFORE:	J.D.V. Newlands,	)	
	Deputy Chairman and	)	
	Chairman of Division;	)	
	A.C. Michelson,	)	March 4, 1988
	Commissioner; and	)	
	F.C. Leighton,	)	
	Commissioner	)	

ORDER

WHEREAS West Kootenay Power and Light Company, Limited ("WKPL") pursuant to Section 18 of the Utilities Commission Act ("the Act") and in conformity with the requirements of B.C. Regulation 388/80, applied to the Minister of Energy, Mines and Petroleum Resources for an Energy Project Certificate for an Okanagan Gas Turbine Generation Plant on December 15, 1987 ("the Application"); and

WHEREAS the Minister of Energy, Mines and Petroleum Resources, with the concurrence of the Minister of Environment and Parks, referred the Application to the Commission for review pursuant to Section 19(1)(a) of the Act at a public hearing in accordance with specific Terms of Reference attached as Appendix A to this Order.

NOW THEREFORE pursuant to Section 20 of the Act the Commission hereby orders as follows:

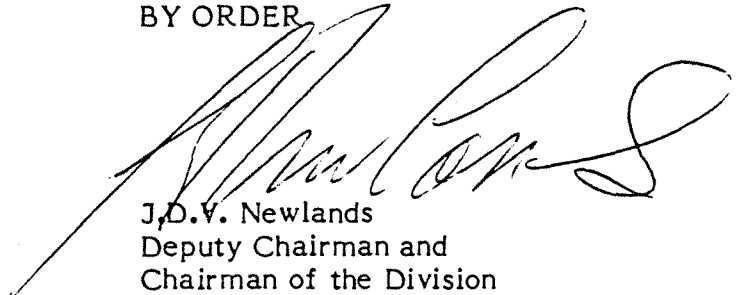
1. A public hearing is to commence at 9:00 a.m. local time Tuesday, April 26, 1988 at the Park Lake Motor Inn, 1675 Abbot Street, Kelowna, B.C.
2. WKPL is to publish not later than Friday, March 11, 1988, a Notice of Public Hearing, as per attached copy, in one issue each of the Vancouver Province, the Vancouver Sun, the Kelowna Courier and other local news publications as may properly provide adequate notice to the population in the service area of the company.
3. WKPL is to purchase spot radio advertisements or obtain community service announcements on local radio stations, as may properly inform the public concerning the proposed Okanagan Gas Turbine Generation Plant in and around the communities served.

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4. WKPL is to prepare an Executive Summary of the Application which will be filed with the Commission and available to interested parties on or before March 11, 1988.
5. WKPL is to file with the Commission not later than Friday, April 8, 1988 any additional prepared testimony and supplemental material upon which it intends to rely.
6. Interested persons intending to be present and participate in the public hearing should give written notice of Intention to do so to the Commission Secretary, and to the Applicant, to be received not later than Friday, March 18, 1988. Such notice should state the nature of the interest in the proceeding.
7. Interested persons intending to file a written submission should provide one copy to the Commission Secretary, and one copy to the Applicant, to be received not later than Friday, April 8, 1988.

DATED at the City of Vancouver, in the Province of British Columbia, this 4/5 day of March, 1988.

BY ORDER



J.D.V. Newlands  
Deputy Chairman and  
Chairman of the Division

Attachment



## NOTICE OF PUBLIC HEARING

### THE APPLICATION

West Kootenay Power and Light Company, Limited ("WKPL") has applied to the Minister of Energy, Mines and Petroleum Resources for an Energy Project Certificate to construct and operate an Okanagan Gas Turbine Generation Plant at Kelowna, B.C. The project was referred to the British Columbia Utilities Commission ("the Commission") to hear the Application at a public hearing.

### THE PUBLIC HEARING

The Commission has set down the Application for public hearing commencing at 9:00 a.m. local time, Tuesday, April 26, 1988 at the Park Lake Motor Inn, 1675 Abbot Street, Kelowna, B.C.

### PUBLIC INSPECTION OF THE APPLICATION

The Application and supporting material are available for inspection at the Head Office of West Kootenay Power and Light Company, Limited, Waneta Plaza, 8100 Rock Island Highway, Box 130, Trail, B.C., V1R 4L4; and at its district offices located at Castlegar, Crawford Bay, Creston, Grand Forks, Greenwood, Kaslo, Kelowna, Keremeos, Oliver, Penticton, Salmo, and South Slokan, B.C.

A copy of the Application and supporting material is also available for inspection at the office of the British Columbia Utilities Commission, 4th Floor, 800 Smithe Street, Vancouver, B.C.

A copy of an Executive Summary is available for inspection in WKPL offices and can be made available to interested parties, upon request, from the Applicant.

### INTERVENTIONS

Any person intending to be present at the public hearing and to give evidence or cross-examine witnesses should provide written notice, to be received not later than Friday, March 18, 1988, to the Commission Secretary, and to the Applicant. The notice should include a brief statement of the nature of the interest in the proceedings.

### SUBMISSIONS BY INTERESTED PERSONS

Any person intending to file a written submission must do so, to be received not later than Friday, April 8, 1988, one copy of the submission to the Commission Secretary, and to the Applicant.

### CLARIFICATION

Persons intending to participate in the public hearing, and who are uncertain as to the manner in which to proceed, may contact R.J. Pellatt, Commission Secretary or W.J. Grant, Director of Engineering by telephone (660-4700) collect, or in writing.

BY ORDER

R.J. Pellatt

Commission Secretary

APPENDIX A

TERMS OF REFERENCE

IN THE MATTER OF  
THE UTILITIES COMMISSION ACT ("the Act")  
S.B.C. 1980, c. 60

and

IN THE MATTER OF AN APPLICATION  
BY WEST KOOTENAY POWER AND LIGHT COMPANY, LIMITED  
("WKPL") FOR AN ENERGY PROJECT  
CERTIFICATE FOR THE OKANAGAN GAS TURBINE  
GENERATION PLANT ("the Project")

DISPOSITION OF APPLICATION AND TERMS OF  
REFERENCE FOR REVIEW BY THE  
BRITISH COLUMBIA UTILITIES COMMISSION

WHEREAS, WKPL, pursuant to section 18 of the Act and in conformance with the requirements of B.C. Regulation 388/80, applied for an Energy Project Certificate by way of an Application dated December, 1987 ("the Application");

AND WHEREAS, application may be made to the Provincial Agricultural Land Commission to exclude land for the Project from the land reserve pursuant to the Agricultural Land Commission Act;

AND WHEREAS, applications may be made to the local government having jurisdiction with respect to land use matters;

NOW THEREFORE, pursuant to sections 19(1)(a) and 20 of the Act, the Minister of Energy, Mines and Petroleum Resources, with the concurrence of the Minister of Environment and Parks, refers the Application to the British Columbia Utilities Commission ("the Commission") for review. The Commission shall hear the Application in public hearing in accordance with the following Terms of Reference, and invite comments from interested parties.

1. OBJECTIVE

The Commission shall recommend to the Lieutenant Governor in Council whether the Energy Project Certificate applied for by WKPL should be issued or refused, and, if issued, subject to what conditions.

2. PROJECT JUSTIFICATION AND RESOURCE OPTIONS

2(1) PROJECT JUSTIFICATION

The Commission shall review and assess whether the Project is the preferred new resource to meet forecast load growth given cost, operating conditions, reliability, and safety considerations.

2(2) PRELIMINARY ENVIRONMENTAL REVIEW

The Commission shall review and assess any detrimental environmental impacts associated with a gas turbine generation plant, and identify mitigation proposals that would reduce environmental impacts to an acceptable level.

2(3) RESOURCE OPTIONS

The Commission shall, inter alia, review and assess those sections of WKPL's "1987 Resource Study Supply and Demand Options", attached as Appendix 1 of its Application, which the Commission deems appropriate to its review of Project justification, including demand side options, alternate power sources, wheeling, and their effect on rates.

3. REVIEW OF OKANAGAN GAS TURBINE GENERATION PLANT

3(1) CAPITAL COSTS

The Commission may review and assess WKPL's Project capital cost estimate at its proposed (Kelowna Industrial) site, at two alternative sites (Hiram Walker North and Hiram Walker South) as identified in the Application, or, with the concurrence of the Commission, at other sites. Cost components to be examined shall include, inter alia:

- (a) land acquisition;
- (b) rail spur;
- (c) access road;
- (d) gas line;
- (e) water supply
- (f) transmission to main electric grid;
- (g) gas turbines;
- (h) emission control and noise attenuation equipment;
- (i) design and engineering;
- (j) allowance for funds used during construction;
- (k) contingencies; and
- (l) other capitalized costs.

### 3(2) COST OF SERVICE AND RATE IMPACTS

For each site examined pursuant to section 3(1) of these Terms of Reference, the Commission shall review and assess annual estimates of cost of service and the components thereof, including, inter alia:

- (a) depreciation expense;
- (b) interest and return on equity;
- (c) corporate taxes;
- (d) costs of fuel (natural gas and #2 fuel oil);
- (e) operating and maintenance costs;
- (f) property taxes; and
- (g) other expenses, taxes, or costs added to the cost of service.

The Commission shall also review and assess impacts of the Project on rates charged for service by WKPL.

### 3(3) DESIGN AND OPERATION

For each site examined pursuant to section 3(1), the Commission shall review and assess the adequacy of the Project design and operation with respect to safety and reliability of service.

### 3(4) ENVIRONMENTAL IMPACT

For each site examined pursuant to section 3(1), the Commission shall review and assess predicted air emissions, the environment's capability to disperse the emissions, and proposals to mitigate detrimental impacts on the environment. The Commission shall also consider and recommend whether approvals under the Waste Management Act for emissions to the environment should be issued.

The Commission shall review and assess the levels of noise emitted by the Project and the Applicant's proposals for noise attenuation.

For each site examined pursuant to section 3(1), the Commission may review and assess other environmental matters deemed by the Commission to be relevant.

### 3(5) PROJECT SCHEDULING

The Commission shall review and assess the reasonableness of WKPL's anticipated Project schedule in meeting the proposed commissioning date of June 1989.

3(6) PROCUREMENT

With respect to labour, material and equipment procurement, the Commission shall review WKPL's proposed level of British Columbian and Canadian content, and recommend possible ways to maximize British Columbian and Canadian content, while recognizing the desire to minimize Project costs.

4. OTHER MATTERS

The Commission shall consider any other matters, jointly specified from time to time by the Minister of Energy, Mines and Petroleum Resources and the Minister of Environment and Parks, prior to the conclusion of the hearing, in its review of the Application.

In its review of the Application, the Commission shall take into consideration the decisions, if any, of the provincial Agricultural Land Commission and local governments with respect to land use matters.

5. REPORT AND RECOMMENDATIONS

5(1) TIMING

On conclusion of the public hearing, the Commission shall submit a report and recommendations to the Lieutenant Governor in Council by June 30, 1988, or as soon thereafter as may be practical. In the event that there are impediments to the expeditious review of the Application, the Commission shall advise the Minister of Energy, Mines and Petroleum Resources, and indicate how government may assist in expediting the review process.

5(2) OPTIONAL REPORT FOLLOWING REVIEW OF PROJECT JUSTIFICATION

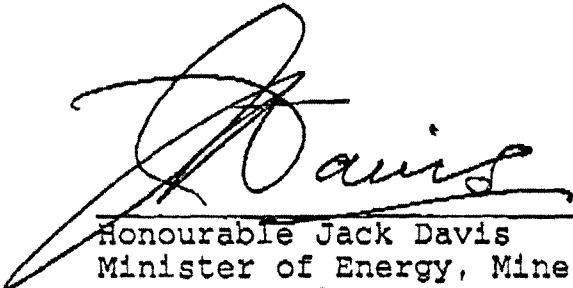
Notwithstanding section 5(1), the Commission may conclude the hearing and submit a report and recommendations to the Lieutenant Governor in Council following its review and assessment of matters specified in section 2 of these Terms of Reference. By so doing, the Commission shall not hear matters specified in section 3 of these Terms of Reference.

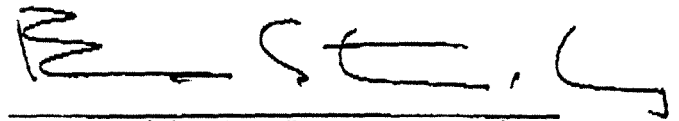
5(3) REPORT CONTENTS

In its report and recommendations, the Commission shall recommend whether the Energy Project Certificate applied for by WKPL should be refused or issued, and if issuance is recommended, the Commission may also recommend conditions it considers advisable for inclusion in an Energy Project Certificate, an Energy Operation Certificate, or both.

5(4) TRANSMITTAL

WKPL's Application for the Project is transmitted to the Commission with this Disposition and Terms of Reference.

  
Honourable Jack Davis  
Minister of Energy, Mines  
and Petroleum Resources

  
Honourable W. Bruce Strachan  
Minister of Environment and  
Parks

Dated for this 4<sup>th</sup> day of March, 1988.