

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

and

IN THE MATTER OF an Application by British Columbia Hydro and Power Authority

and

Rate Schedule 3808

and

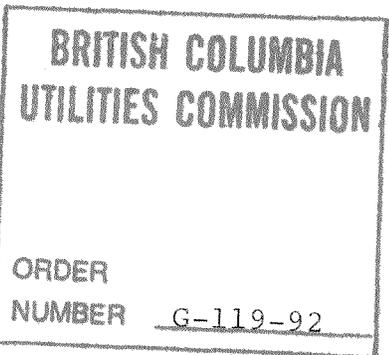
Power Purchase Agreement with West Kootenay Power Ltd.

BEFORE: M.K. Jaccard, Chair; L.R. Barr, Deputy Chair; and H.J. Page, Commissioner)))))) December 17, 1992

O R D E R

WHEREAS:

- A. On October 10, 1991, B.C. Hydro filed for Commission approval an Agreement in Principle ("the Agreement") entered into between B.C. Hydro and West Kootenay Power Ltd. ("WKP") for bulk electricity supply for the period from October 1, 1991 to September 30, 2010. Supply under the Agreement was intended to replace supply under Rate Schedule 3807, the availability of which expired on September 30, 1991 under Commission Order No. G-22-90; and
- B. Commission Order No. G-96-91 established a deferral account and approved an interim rate for supply to WKP at the level previously charged under Rate Schedule 3807 effective October 1, 1991 until final approval of the Agreement was given. The Order included the Agreement and ensuing contract as a separate phase of B.C. Hydro's Rate Design Application and Public Hearing that commenced January 13, 1992; and
- C. WKP and B.C. Hydro were unable to reach agreement into long-term power supply during the public hearing Commission Order No. G-36-92 authorized the Decision into B.C. Hydro's Application for Rate Design of Electric Tariffs and advised that the matter of Rates and Supply Agreement to WKP would be the subject of a future Commission Order; and
- D. On August 10, 1992, WKP advised the Commission that the parties had been unable to reach a mutually acceptable contract after 11 months of negotiations and requested a Commission Inquiry under Section 97 of the Utilities Commission Act ("the Act"); and
- E. On August 11, 1992, B.C. Hydro notified WKP that the negotiations have failed, that the Agreement must be discarded, and that, in the near future, B.C. Hydro would submit an application to the Commission regarding WKP; and
- F. On September 4, 1992, WKP requested that B.C. Hydro be directed to relieve WKP of take or pay provisions of the October 15, 1986 Power Purchase Agreement for the 1991/92 operating year; and
- G. On October 14, 1992, WKP requested an Inquiry under Section 97 of the Act to determine the Demand Charges applicable to WKP for 1992; and



- H. On December 11, 1992, B.C. Hydro applied to the Commission for Orders that terminate Electric Tariff Rate Schedule 3807 and the October 15, 1986 Power Purchase Agreement with WKP and replace them with a proposed Rate Schedule 3808 and new Power Purchase Agreement ("the Application") on an effective date to be determined by the Commission; and
- I. The Commission has reviewed the filings and has determined that the Application and Requests should be considered as Phase II of the public hearing into B.C. Hydro's Rate Design Application; and
- J. The Commission has sent copies of the Application to Registered Intervenors in the B.C. Hydro Rate Design Hearing and the last WKP Revenue Requirements Public Hearing.

NOW THEREFORE the Commission orders as follows:

- 1. A public hearing into Phase II of B.C. Hydro's Rate Design Application and the Application is set to commence at 9:00 a.m. local time, Monday, February 8, 1993 at the HiArrow Motor Inn, 651 - 18th Street, Castlegar, B.C.
- 2. Not later than Wednesday, December 23, 1992, B.C. Hydro will arrange for publication of a Notice of Public Hearing, in the form attached, in display-ad format, in one issue of the Vancouver Sun and Province and in the appropriate local newspaper publications so as to provide adequate notice to the public.
- 3. The Application and supporting material will be made available for inspection at the Head Office Information Centre of B.C. Hydro, 333 Dunsmuir Street Vancouver, B.C., at the British Columbia Utilities Commission, 6th Floor, 900 Howe Street, Vancouver, B.C. and at WKP's District Offices located in Castlegar, Crawford Bay, Creston, Grand Forks, Greenwood, Kaslo, Kelowna, Keremeos, Oliver, Osoyoos, Penticton Salmo, South Slokan and Trail, B.C.
- 4. B.C. Hydro will distribute an Executive Summary of the Application to all additional Intervenors and Interested Persons as they become registered with the Commission.
- 5. B.C. Hydro is to file with the Commission not later than Thursday, December 31, 1992 any additional prepared testimony and supplemental material upon which it intends to rely.
- 6. Intervenors and 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, January 8, 1993. Such Notice should state the nature of the interest in the proceeding.
- 7. Intervenors and Interested persons intending to file a written submission or to make a request for additional information of the Applicant should provide one copy to the Commission Secretary, and one copy to the Applicant, to be received not later than Wednesday, January 27, 1993.
- 8. The parties are to respond to those Information Requests made prior to January 8, 1993 by Friday, January 22, 1993.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of December, 1992.

BY ORDER

A handwritten signature in cursive script, appearing to read "Mark Jaccard".

Dr. Mark K. Jaccard
Chair

/mmc



**BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
APPLICATION FOR APPROVAL OF RATE SCHEDULE 3808 AND
POWER PURCHASE AGREEMENT WITH WEST KOOTENAY POWER LTD.**

NOTICE OF PUBLIC HEARING

	<u>Week #1</u>	<u>Week #2</u>
Time:	9:00 a.m.	9:00 a.m.
Date:	February 8, 1993	February 15, 1993
Location:	HiArrow Motor Inn 651 - 18th Street Castlegar, B.C.	British Columbia Utilities Commission Hearing Room 6th Floor, 900 Howe Street Vancouver, B.C.

THE APPLICATION

B.C. Hydro is applying to replace its existing Rate Schedule 3807 - Transmission Service to West Kootenay Power ("WKP") and the 1986 Power Purchase Agreement with new Rate Schedule 3808 and new Power Purchase Agreement ("the Application") effective at a date to be determined by the Commission.

THE PUBLIC HEARING

The Application is considered to be a continuation of the public hearing into the January 15, 1991 Application by B.C. Hydro for Rate Design of Electric Tariffs and will be heard in Castlegar commencing February 8, 1993. The hearing is expected to conclude in Vancouver during the week of February 15, 1993 with dates, times and locations as noted above.

The Division named to review the Application will be comprised of the following Commission members:

Dr. Mark K. Jaccard, Chair
Ms. Lorna Barr, Deputy Chair
Mr. Kenneth L. Hall, Commissioner

PUBLIC INSPECTION OF THE APPLICATION

The Application, supporting material and Commission Order No. G-119-92 are available for inspection at the following locations:

British Columbia Hydro and Power Authority - Head Office

Information Centre
333 Dunsmuir Street
Vancouver, B.C.

West Kootenay Power Ltd.

Head Office: Waneta Plaza 8100 Rock Island Highway, Trail B.C.
District Offices: Castlegar, Crawford Bay, Creston, Grand Forks, Greenwood, Kaslo, Kelowna, Keremeos, Oliver, Osoyoos, Penticton Salmo, South Slokan and Trail, B.C.

An Executive Summary of the Application is also available upon request at no charge from B.C. Hydro.

A copy of the Application and supporting material is also available for inspection at the office of the British Columbia Utilities Commission, 6th Floor, 900 Howe Street, Vancouver, B.C.

INTERVENTIONS

Any person wishing 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 January 8, 1993, to the Commission Secretary and to the Applicant. The Notice should include a brief statement as to the nature of the interest in the proceedings and should indicate whether they intend to appear at the hearing.

SUBMISSIONS BY INTERESTED PARTIES - LETTERS OF COMMENT

Submissions from Intervenors and Letters of Comment from interested parties are required to be filed, one copy each with the Commission Secretary and the Applicant by January 27, 1993

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CLARIFICATION

Persons intending to participate in the public hearing, and who are uncertain as to the manner in which to proceed, may contact Mr. R.J. Pellatt, Commission Secretary, or Mr. B. McKinlay, Manager, Rates and Finance - Electrical by telephone at (660-4700) or (B.C. Toll Free: 1-800-663-1385), or in writing to the above address or faxed to 660-1102.

BY ORDER

A handwritten signature in black ink, appearing to read 'R. J. Pellatt', written in a cursive style.

Robert J. Pellatt
Commission Secretary

/mmc