



SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. V6Z 2N3  
CANADA

BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER G-16-94

TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
FACSIMILE: (604) 660-1102

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

and

An Application by Elk Falls Forest Industries Ltd.

**BEFORE:** M. K. Jaccard, Chairperson; and )  
L.R. Barr, Deputy Chairperson ) March 3, 1994

**O R D E R**

**WHEREAS:**

- A. On November 12, 1993, Elk Falls Forest Industries Ltd. ("EFFIL") made application to the Minister of Energy, Mines and Petroleum Resources ("the Minister") for an exemption to sell steam pursuant to Section 27 of the Utilities Commission Act ("the Act"); and
- B. On November 16, 1993, EFFIL made application to the British Columbia Utilities Commission (the "Commission") for an exemption to re-sell electricity pursuant to Section 103(3) of the Act; and
- C. On December 1, 1993, EFFIL entered into a sales agreement with TimberWest Forests Ltd. ("TimberWest") whereby TimberWest acquired from EFFIL its Woodlands Operations Sawmill near Duncan Bay, British Columbia ("the Sawmill"); and
- D. EFFIL will continue to own a Pulpmill ("the Pulpmill") adjacent to the Sawmill; and
- E. The Sawmill and the Pulpmill are side-by-side and have shared, and will continue to share, a number of utilities and services including, inter alia, steam and electricity services; and
- F. The Sawmill's approximate requirement for electricity is presently 4800 MW.h per month, but may be up to a maximum of 5250 MW.h per month; and
- G. On December 1, 1993, British Columbia Hydro and Power Authority ("B.C. Hydro") advised Fletcher Challenge Canada Limited that it would not object to the re-sale of electricity by EFFIL to TimberWest at rates equivalent to that charged by B.C. Hydro; and
- H. EFFIL and TimberWest have entered into the Elk Falls Services Agreement ("the Services Agreement"), which sets out the terms upon which steam and electricity will be supplied to TimberWest for use by the Sawmill through equipment and facilities owned by EFFIL; and
- I. The Commission has considered EFFIL's application pursuant to Section 103(3) and is satisfied that an Order exempting EFFIL from certain sections of the Act properly conserves the public convenience and interest; and
- J. The Minister and the Commission have agreed that EFFIL's application under Section 27 for the sale of steam, be considered concurrently, pursuant to Section 103(3) of the Act; and

K. The Commission may, pursuant to Section 114 of the Act, reconsider, vary or rescind an Order made by it.

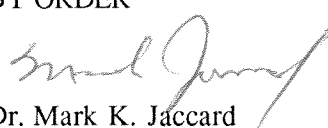
**NOW THEREFORE** the Commission orders as follows:

Pursuant to Section 103(3) of the Act, the Commission approves the Application by EFFIL for an exemption from provisions of the Act, other than Part 2 and Sections 42, 48, 49, 54, 114, and 140, in respect of the supply of electricity and steam to TimberWest for sole use by the Sawmill, subject to the following terms and conditions, namely:

- i) This Order shall be effective upon the execution of the Services Agreement or the date of this Order, whichever is later.
- ii) This Order shall terminate on the date on which EFFIL ceases to be obliged by the Services Agreement to supply electricity to TimberWest for use by the Sawmill.
- iii) This Order shall terminate in the event EFFIL materially alters those terms of the Services Agreement by which EFFIL is obligated to supply steam or electricity to TimberWest for use by the Sawmill.
- iv) This Order shall terminate if EFFIL charges TimberWest a rate for electricity higher than a rate B.C. Hydro would charge for a similar service.
- v) This Order encompasses the supply of steam and electricity to TimberWest from EFFIL using existing facilities at the time of this Order, and may be modified or rescinded at the discretion of the Commission if there are material alterations to the facilities used to produce and deliver steam and electricity, and the Commission will decide what constitutes a material alteration.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 4th day of March, 1994.

BY ORDER

  
Dr. Mark K. Jaccard  
Chairperson

Attch.

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

File No. G-16-94

Order in Council No.

**0187**

, Approved and Ordered FEB 11, 1994

I hereby certify that the following is a true copy of a Minute of the Honourable the Executive Council of the Province of British Columbia approved by His Honour the Administrator.

Barbara Smith  
Deputy Order-in-Council Custodian

Seamus W. O'Brien  
~~Lieutenant Governor~~  
Administrator

Executive Council Chambers, Victoria

~~Lieutenant Governor~~  
Administrator

On the recommendation of the undersigned, the ~~Lieutenant Governor~~ Administrator, by and with the advice and consent of the Executive Council, orders that approval is given to the British Columbia Utilities Commission (the "Commission") to exempt Elk Falls Forest Industries Ltd., in respect of the sale of steam and electricity to Timber West Forest Ltd., from provisions of the *Utilities Commission Act* as set out in the Order of the Commission attached hereto as Schedule "A".

Ann Edwards  
Minister of Energy, Mines and Petroleum Resources

M. Hancock  
Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section:- Utilities Commission Act, section 103 (3)

Other (specify):-

January 12, 1994

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