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CANADA



BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER G-113-96

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

and

An Application by Yoho Power Ltd. for the Sale of Utility Assets, and  
Discontinuance of Operations and  
an Application by British Columbia Hydro and Power Authority  
to Integrate the Utility Customers of Yoho Power Ltd.

**BEFORE:** M.K. Jaccard, Chairperson; and )  
L.R. Barr, Deputy Chairperson ) November 21, 1996

## O R D E R

### WHEREAS:

- A. On November 15, 1996 British Columbia Hydro and Power Authority ("B.C. Hydro") applied to the Commission to integrate the utility customers of Yoho Power Ltd. ("Yoho"), at Field, B.C.; to levy a surcharge to all customers receiving service; and, to cease paying an operating subsidy to connected customers.
- B. In support of its application B.C. Hydro states:
- 1) The community is currently served by Yoho Power Ltd. using diesel generation. B.C. Hydro has been paying an annual subsidy to reduce the costs of electricity to customers in Field, but there has been a strong desire for the community to be connected to B.C. Hydro's integrated transmission grid.
  - 2) The line extension project consists of approximately 55 kilometres of three phase 25 kV overhead power line from Golden to Field, B.C. B.C. Hydro has entered into a Pole Line Agreement with C.P. Rail which grants B.C. Hydro a license to construct a pole line and electrical works on the right-of-way required for the integration of Field.
  - 3) Financing for the project, which includes the buyout of Yoho Power Ltd., is estimated to cost \$3.1 million, with the following contributions:
    - a) The federal and provincial governments will each contribute \$650,000 towards the project;
    - b) B.C. Hydro has approved a contribution of \$650,000, which is a value representing the cost avoidance of future annual subsidy payments;
    - c) The community of Field, represented by Field Recreation/Advisory Association ("FRAA"), has agreed to finance their share of the costs up to \$1.15 million through B.C. Hydro with a 9.0 cent/kW.h surcharge on electricity bills; and

d) If the actual annual consumption indicates that repayment of the loan will exceed 10 years, then B.C. Hydro may at some future date apply to the Commission to increase the 9.0 cent/kW.h surcharge. All existing and new customers receiving electric utility service from the new extension are subject to the surcharge until such time as the loan is repaid.

4) On September 20, 1996, B.C. Hydro, the FRAA, Yoho Power Ltd., and Parks Canada entered into the Key Principles of Agreement which generally outlines each party's obligations and responsibilities. Under this agreement the FRAA will purchase and dispose of the assets of Yoho Power Ltd. and Yoho Power Ltd. will make an application to the Commission to cease utility operations effective the date that B.C. Hydro connects to the Field distribution system. The line extension to Field has been built by B.C. Hydro in accordance with all federal and provincial legislation.

5) A number of public meetings have been held in Field which have addressed these issues.

C. On November 20, 1996 Yoho applied to the Commission, pursuant to Sections 47 and 59 of the Utilities Commission Act ("the Act"), to cease utility operations following interconnection by B.C. Hydro and to dispose of substantially all assets of Yoho.

D. The Commission has reviewed the Applications and finds that an interim order is required to be issued.

**NOW THEREFORE** pursuant to Section 106 of the Act, the Commission orders, on an interim basis, the following:

1. The Commission approves for B.C. Hydro the extension and integration of its system to Yoho's electrical system at Field, B.C.
2. The Commission approves for Yoho, pursuant to Section 47 of the Act, the discontinuance of utility operations, at the date of interconnection to the B.C. Hydro grid, subject to the successful execution of the Key Principles of Agreement executed by The Field Recreational/Advisory Association, Yoho, B.C. Hydro and Parks Canada.
3. The Commission approves for Yoho, pursuant to Section 59 of the Act, the subsequent disposition of its utility assets in accordance with the undertakings contained within the Key Principles of Agreement.
4. The Commission approves for B.C. Hydro a variance to its Electric Tariff to permit the collection of a 9.0 cent/kW.h surcharge to all customers receiving service from the new extension, subject to the timely filing of an approved Tariff Supplement.
5. B.C. Hydro is directed to make monthly reports to the Commission on the status of construction and costs.
6. B.C. Hydro is directed to file a Tariff Supplement applicable to all connecting customers, together with details of the costs, as soon as the actual costs of the project are known, at which time the Commission will make a final decision regarding the transactions.
7. B.C. Hydro is directed to inform the Commission once the terms of the Key Principles of Agreement have been met.
8. Yoho is directed to make a final report to the Commission upon disposition of its utility assets.

9. Prior to December 31, 1996, interested parties may write to the Commission, applying under Section 106(3) of the Act, to modify or set aside this interim Order. Interested parties who wish clarification of this procedure should contact the Commission Secretary, Mr. Robert J. Pellatt or Mr. Barry McKinlay, Manager, Rates and Finance by telephone at B.C. Toll Free 1-800-663-1385, (604) 660-4700, in writing to the B.C. Utilities Commission, Box 250, 900 Howe Street, Vancouver, B.C., V6Z 2N3 or by fax (604) 660-1102. The Commission can also be reached on the Internet at [bcuc@pop.gov.bc.ca](mailto:bcuc@pop.gov.bc.ca).
10. Yoho is directed to distribute a copy of this Order to all customers as soon as possible.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 25th day of November, 1996.

BY ORDER

*Original signed by:*

Lorna R. Barr  
Deputy Chairperson