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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER E-7-96

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

and

An Application by West Kootenay Power Ltd.
for Approval of Energy Supply Contracts, Energy Transmission Contracts
and Energy Related Agreements

BEFORE: M.K. Jaccard, Chairperson; and)
K.L. Hall, Commissioner) May 3, 1996

O R D E R

WHEREAS:

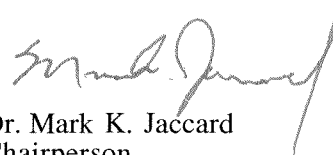
- A. On March 11, 1996 West Kootenay Power Ltd. ("WKP") applied to the Commission, pursuant to Sections 57, 59, 85.1 and 85.3 of the Utilities Commission Act ("the Act"), for an Order approving Energy Supply Contracts, Energy Transmission Contracts and Energy Related Agreements ("Brilliant Agreements") concerning the output of the Brilliant Plant; and
- B. By Commission Order No. G-27-96, the Brilliant Agreements were set down for review and proceeded before the Commission at a public hearing in Castlegar, B.C. from April 9-11, 1996; and
- C. By Commission Order No. G-36-96 the Brilliant Agreements were found not to be in the public interest by reason of the fixed price term in years 30 to 60 and the concern of the Commission as to the risk of future generations of ratepayers being unable to take advantage of market prices due to such a fixed price term; and
- D. The parties to the Contract were invited to make the necessary amendments to the Agreements to permit a market-related adjustment to the price to take effect after the expiration of the first 30 years of the 60-year term and the Commission was prepared to accept the amended Brilliant Agreements for filing; and
- E. On May 2, 1996 WKP applied for an Order approving a Brilliant Power Purchase Amendment Agreement ("Amendment Agreement") and the Brilliant Agreements; and

- F. The Amendment Agreement amends only the Brilliant Power Purchase Agreement ("BPPA") to permit a market related adjustment to the price of power that allows future ratepayers in years 30 to 60 of the Brilliant Agreements to realize any decreases in the market price of power below the fixed price contained in the BPPA and provides some protection against increases in the market price above the fixed price in the BPPA; and
- G. The Commission has considered the Amendment Agreement and is satisfied that approval of the Amendment Agreement and the Brilliant Agreements is in the public interest.

NOW THEREFORE the Commission approves the Brilliant Agreements and the Amendment Agreement for a period of 60 years commencing no later than September 1, 1996.

DATED at the City of Vancouver, in the Province of British Columbia, this 3rd day of May 1996.

BY ORDER



Dr. Mark K. Jaccard
Chairperson