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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-11-00

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by Princeton Light and Power Company, Limited
for a Certificate of Public Convenience and Necessity
to Construct a Princeton Substation

BEFORE: P. Ostergaard, Chair)
F.C. Leighton, Commissioner) February 2, 2000

O R D E R

WHEREAS:

- A. On September 16, 1999, Princeton Light and Power Company, Limited (“PLP”) applied for a Certificate of Public Convenience and Necessity (“CPCN”) to construct a 138/12.6 kV substation 4 kilometers north of Princeton, B.C., which would allow PLP to switch from West Kootenay Power Ltd. (“WKP”) service to British Columbia Hydro and Power Authority (“B.C. Hydro”) service. The Application also contained a Letter of Intent from B.C. Hydro for energy supply until October 30, 2005 and project financing; and
- B. On September 24, 1999, Commission staff requested information from PLP concerning its proposed project. Responses to the Commission’s requests were received from PLP on September 28, 1999; and
- C. On September 24, 1999, Commission staff invited comments from B.C. Hydro and WKP on PLP’s Application and its information responses. Both B.C. Hydro and WKP replied on October 22, 1999, while PLP provided further comment on October 25, 1999; and
- D. On October 29, 1999 the Commission, by Order No. G-113-99, established a Workshop and Pre-hearing Conference to consider PLP’s CPCN Application. This meeting was held in Princeton on November 18, 1999 and focussed on the two major issues contained in the Application: (i) the acceptability of the proposed power purchase contract between PLP and B.C. Hydro; and (ii) the relative merits of PLP constructing a new substation as compared to WKP undertaking improvements to its existing substation at Princeton; and
- E. At the Workshop, WKP agreed to provide a report to the Commission by November 26, 1999, defining the cost of upgrading its existing substation to deliver reliability comparable to the new substation proposed by PLP. This report was received on November 26, 1999, and contained a proposal for upgrading the existing Princeton substation and supplying PLP with power year-round from B.C. Hydro. WKP suggested that this proposal could be developed with PLP and Commission staff or, in the event that the proposal is not accepted, WKP reiterated its position that a public hearing is necessary to consider the Application; and
- F. On November 23, 1999, Commission staff wrote to B.C. Hydro requesting clarification of B.C. Hydro’s position with regard to the terms of supply that PLP could expect following the expiry of the five-year contract that PLP is proposing to sign with B.C. Hydro as part of the current Application. B.C. Hydro responded to this request on December 1, 1999; and

- G. On November 24, 1999, Commission staff distributed "Meeting Notes" from the November 18, 1999 Workshop and Pre-hearing Conference, and sought comments from any participants who felt that their views had be mis-characterised or omitted. No such comments were received; and
- H. On December 1, 1999, PLP wrote to the Commission expressing its view that none of the information supplied by either WKP or B.C. Hydro has changed its view about the appropriateness of proceeding with its Application; and
- I. On December 9, 1999, the Commission issued Order No. G-130-99 establishing a public hearing and Regulatory Timetable to consider PLP's CPCN Application; and
- J. On January 27, 2000, B.C. Hydro wrote to the Commission identifying issues raised by proposed power supply arrangements with potential wholesale customers including PLP, and suggesting that these issues should be resolved in a separate forum so that the Commission's review of the PLP CPCN Application may proceed in an expeditious manner; and
- K. On January 28, 2000, the Commission issued Letter No. L-9-00, describing two options it saw arising from the B.C. Hydro letter, and seeking intervenor comments on both the B.C. Hydro letter and the Commission's proposed alternatives. These comments were to be received by February 2, 2000; and
- L. On January 30, 2000, PLP wrote to the Commission proposing a compromise solution for continuing service with WKP. PLP proposed a meeting with WKP, and stated that it would withdraw its CPCN Application if a compromise could be reached; and
- M. On February 2, 2000 a meeting open to all intervenors was held to consider the PLP proposal, and at that meeting a tentative agreement was reached between PLP and WKP; and
- N. On February 2, 2000, PLP wrote to the Commission requesting that the public hearing directed by Order No. G-130-99 be held in abeyance; and
- O. The Commission has considered all of the information before it.

NOW THEREFORE the Commission orders as follows:

1. The Public Hearing into PLP's Application for a CPCN to build a substation and to enter into an energy supply and project financing contract with B.C. Hydro that was scheduled to commence on February 8, 2000 at 9:00 a.m. in Princeton is adjourned pending further direction of the Commission.
2. PLP is to file by February 11, 2000, any new energy supply contract with WKP.
3. At the conclusion of any process associated with the review of a new energy supply contract between WKP and PLP, the Commission will make a determination on the disposition of PLP's CPCN Application and the status of the public hearing directed by Order No. G-130-99 and adjourned by this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 3rd day of February 2000.

BY ORDER

Original signed by:

Peter Ostergaard
Chair