



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

and

An Application by British Columbia Hydro and Power Authority
for Approval to Retire Utility Assets

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair) October 5, 2000
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. On September 12, 2000, British Columbia Hydro and Power Authority ("B.C. Hydro") applied to the Commission for approval to decommission its Fort Nelson Diesel Generating Station located at Fort Nelson, B.C., pursuant to Section 41 of the Utilities Commission Act ("the Act"); and
- B. The permanent facilities of the Fort Nelson Diesel Generating Station consists of five 3-MW and one 2.5-MW diesel generators. These units are no longer required for service as they were replaced in 1999 with a new 45-MW natural gas turbine generating station to provide power to the Fort Nelson region; and
- C. The estimated cost of decommissioning is estimated to be \$641,000 less the salvage value from the sale of the surplus generators; and
- D. The current book value of the surplus generators and ancillary equipment is approximately \$2.8 million and B.C. Hydro indicates that it will remove this amount from rate base and will expense the amount and the cost of decommissioning, less the salvage value of the facility, when decommissioned; and
- E. Local governments in the region and the media have been advised of B.C. Hydro's intention to decommission the Fort Nelson Diesel Generating Station; and
- F. The Commission has reviewed the application and finds that the Fort Nelson Diesel Generating Station is no longer a useful facility for generating electricity and should be removed from utility service.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for B.C. Hydro the decommissioning of the Fort Nelson Diesel Generating Station at Fort Nelson, B.C., pursuant to Section 41 of the Act.
2. B.C. Hydro is to continue to liaise with local governments and the public in the region, advising them of the Commission's approval of the decommissioning, and communicating its timeframe to local governments.
3. B.C. Hydro is expected to maximize the salvage value of the plant for the benefit of all ratepayers, and is to file a report with the Commission upon project completion, summarizing the costs of the decommissioning.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of October 2000.

BY ORDER

Original signed by:

Peter Ostergaard
Chair