



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 )  
P.G. Bradley, Commissioner ) August 24, 2000  
B.L. Clemenhagen, Commissioner )  
K.L. Hall, Commissioner )  
N.F. Nicholls, Commissioner )

**O R D E R**

**WHEREAS:**

- A. On July 27, 2000, British Columbia Hydro and Power Authority ("B.C. Hydro") applied to the Commission for approval to decommission its Keogh Generating Station located near Port Hardy, B.C., pursuant to Section 41 of the Utilities Commission Act ("the Act"); and
- B. The Keogh Generating Station consists of twin 45 MW diesel generators constructed in 1975 and 1977 and two aboveground tanks in which 3 million litres of diesel fuel are currently stored. B.C. Hydro states that the station should not be refurbished due to its deteriorating condition and environmental concerns; and
- C. The estimated cost of decommissioning is estimated to be \$699,000 less the salvage value of the plant, equipment, and diesel fuel to be recovered; and
- D. The current book value of the facility is approximately \$7 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, in 2000; and
- E. Local governments in the region have been advised of B.C. Hydro's intention to decommission the Keogh Generating Station; and

F. The Commission has reviewed the application and finds that the Keogh 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 Keogh Diesel Generating Station near Port Hardy, 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, its environmental impacts and benefits, and its financial impacts, if any, on 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 and benefits of the decommissioning.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 31<sup>st</sup> day of August 2000.

BY ORDER

*Original signed by:*

Peter Ostergaard  
Chair