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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-25-00

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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 of a Power Sale Agreement with the City of New Westminster

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair)
P.G. Bradley, Commissioner) March 2, 2000
B.L.Clemenhagen, Commissioner)
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. By Order No. G-116-95, the Commission approved an electricity supply contract between British Columbia Hydro and Power Authority (“B.C. Hydro”) and the City of New Westminster (“the City”) for the five-year period beginning January 1, 1995; and
- B. By Order No. G-67-96, the Commission approved wholesale transmission service for B.C. Hydro. This allowed B.C. Hydro's only wholesale customer, the City, to obtain their power from suppliers other than B.C. Hydro; and
- C. By Order No. G-100-97, the Commission approved a new electricity supply agreement between B.C. Hydro and the City. This agreement covered the period from March 1, 1997 to December 31, 1999; and
- D. On December 31, 1999, B.C. Hydro filed a new three-year Power Sale Agreement, Electric Tariff Supplement No. 1, with the City, using substantially the same terms as the 1997 agreement; and
- E. On January 14, 2000, the Commission wrote to both B.C. Hydro and the City expressing concerns about what the contract meant for the City’s status as an embedded cost customer, and about B.C. Hydro's use of regulated assets to serve domestic wholesale customers at rates that are not cost-based; and

- F. On February 3, 2000, the Government wrote to the Commission stating its intention to extend the B.C. Hydro rate freeze until September 31, 2001; and
- G. On February 16, 2000, a meeting was held between B.C. Hydro, the City, and Commission staff in an effort to resolve these issues, at which it was agreed by all parties that the proposed contract does not affect the City's status as a customer of B.C. Hydro; and
- H. The Commission has reviewed the Power Sale Agreement, Electric Tariff Supplement No. 1, between B.C. Hydro and the City, and finds that its approval is required.

NOW THEREFORE the Commission approves for B.C. Hydro the December 31, 1999 Power Sale Agreement, Electric Tariff Supplement No. 1, with the City of New Westminster, effective January 1, 2000 to December 31, 2002, or until such time as the Commission has completed a Rate Design Review, whichever comes first.

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

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chair