



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

and

An Application by Synex Energy Resources Ltd.
for Approval to Construct and Operate an Electric Distribution Extension to Kyuquot

BEFORE: P. Ostergaard, Chair)
B.L. Clemenhagen, Commissioner)
R.D. Deane, Commissioner) November 15, 2001
K.L. Hall, Commissioner)
N.F. Nicholls, Commissioner)

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

WHEREAS:

- A. On April 5, 2001, Synex Energy Resources Ltd. ("Synex") applied to the Commission for a Certificate of Public Convenience and Necessity to construct and operate a single phase 14.4 kV distribution line (the "Project") from the British Columbia Hydro and Power Authority ("B.C. Hydro") grid at Oclucje to Kyuquot to serve customers at Fair Harbour, Chamiss Bay, Houpsitas, Kyuquot, and Walters Cove; and
- B. On July 3, 2001, B.C. Utilities Commission staff requested Synex to provide more definitive information on the level of interest by potential customers. Synex subsequently notified its potential customers advising them of the details of its proposal relating to the potential rate, reliability limitations, and the fact that B.C. Hydro will not assume ownership of the Project or take over utility service; and
- C. Based on expected rates for electricity of up to 35 cents/kWh, Synex received expressions of intent to become customers from 12 of 23 residents, from 4 of 6 commercial operations, from School District No. 84 and the Kyuquot First Nation; and
- D. B.C. Hydro has stated that it does not object to Synex's proposal and has advised the Commission that if B.C. Hydro was to extend its distribution line it would require a three-phase line to be built, a surcharge of at least 49 cents/kWh to finance the customers' estimated cost of the extension would be required, and that under B.C. Hydro's current policy, a line to Kyuquot would not be eligible for assistance from the Uneconomic Extension Allowance program; and
- E. Potential customers of Synex have the option to retain present forms of generation in lieu of connecting to Synex's project.

NOW THEREFORE pursuant to Section 45 of the Utilities Commission Act, a Certificate of Public Convenience and Necessity is issued to Synex to construct and operate the Project as described in the Application from B.C. Hydro's grid at Oclucje to Kyuquot subject to the following conditions:

- a) Construction of the Project must start within two years of the date of this Order;

- b) Synex or a company formed for the purposes of being a public utility, must maintain separate accounts and must file annual reports which summarize the results of utility operations;
- c) Synex or a company formed for the purposes of being a public utility, must file for Commission approval proposed rates and terms and conditions of service upon completion of the Project; and
- d) Synex or a company formed for the purposes of being a public utility, must provide a copy of this Order to each new customer and it must maintain a copy of the approved Rate Schedules and Terms and Conditions of Service to be available for inspection by customers.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of November 2001.

BY ORDER

Original signed by:

Peter Ostergaard
Chair