



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

and

An Application by Clean Power Operating Trust for
an Exemption from Provisions of the Utilities Commission Act
and to the Transfer of Rights, Benefits and Interests Granted by
Commission Order No. G-14-97 from Regional Power Inc.

BEFORE: P. Ostergaard, Chair)
B.L. Clemenhagen, Commissioner)
R.D. Deane, Commissioner) November 8, 2001
K.L. Hall, Commissioner)
N.F. Nicholls, Commissioner)

O R D E R

WHEREAS:

- A. Salmon Inlet Power Corp, and its assignee, AEC West Ltd. ("AEC", formerly known as Conwest Exploration Company Limited) entered into an electricity purchase agreement with British Columbia Hydro and Power Authority ("B.C. Hydro") dated August 31, 1990, as amended and consolidated as of March 29, 1994 (the "EPA") for the sale of electricity exclusively to B.C. Hydro; and
- B. By Order No. G-9-97 dated January 30, 1997, the Commission approved an exemption from certain provisions of the Utilities Commission Act ("the Act"), other than Part 2 and Section 114 (now Sections 99 and 100), in respect of AEC and the sale of power generated by AEC from its Sechelt Creek hydroelectric generating facility on the Salmon Inlet in Sechelt, B.C. (the "Project") to B.C. Hydro; and
- C. AEC transferred to Regional Power Inc. all of its right, benefit and interest in and to the EPA and the Project, and by Order No. G-14-97 dated February 13, 1997, the Commission approved an exemption from certain provisions of the Act, other than Part 2 and Section 114 (now Sections 99 and 100), in respect of Regional Power Inc. and the sale of power generated by Regional Power Inc. from the Project to B.C. Hydro; and
- D. On October 23, 2001, the Clean Power Operating Trust (the "Trust") advised the Commission that it intends to acquire from Regional Power Inc. the EPA and the Project, and will engage Regional Power Inc. to operate the Project on behalf of the Trust, and applied to the Commission for an exemption from

the provisions of the Act in respect of the Trust's sale of power generated by the Project to B.C. Hydro, the sale of the Project by Regional Power Inc. to the Trust, and the ongoing operations of the Project by Regional Power Inc., which transactions are expected to occur on a closing date (the "Closing Date") in early November, 2001; and

- E. On November 7, 2001, the Trust advised the Commission that Regional Power Inc. proposes to amalgamate with its two wholly-owned, subsidiaries, La Regionale Power Port-Cartier Inc., Societe Hydroelectrique La Regionale Port-Cartier Inc. and La Regionale Power Angliers Inc., Societe Hydroelectrique La Regionale Angliers Inc., which amalgamated entity will continue under the name Regional Power Inc. ("Regional"); and
- F. On November 13, 2001, B.C. Hydro filed with the Commission an assignment, assumption and consent agreement dated November 14, 2001 by which Regional and B.C. Hydro have agreed to the assignment by Regional of the EPA to the Trust; and
- G. The Commission has general supervisory authority over public utilities under the Act and has the delegated authority, pursuant to Section 22(3) of the Act, to exempt persons and Facilities and projects from the application of Part 3 and Section 71 of the Act; and
- H. The Commission has considered the Application and is satisfied that an Order exempting the Trust and Regional from certain sections of the Act properly conserves the public convenience and interest.

NOW THEREFORE the Commission orders that the amalgamation of Regional Power Inc. to form Regional and the sale of the Project by Regional to the Trust are each approved and the ongoing operations of the Project and the sale of power by the Trust from the Project to B.C. Hydro is exempt from the Act, other than Part 2 and Sections 99 and 100, pursuant to the authority under the Act and given by Ministerial Order No. 1-M-51 attached as Appendix A, and the assignment of the EPA to the Trust is approved.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of November 2001.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachment

Order/Clean Power Operating Trust

MINISTERIAL ORDER NUMBER 1

M 51

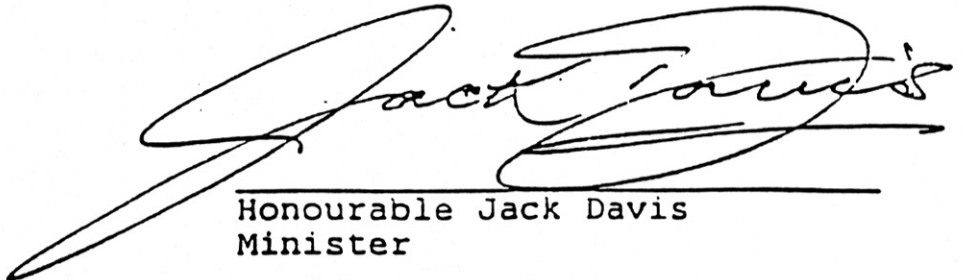
IN THE MATTER OF
s.27(2)(a)(ii) and 27(3)(b) OF THE
UTILITIES COMMISSION ACT
(THE ACT)

WHEREAS certain persons in the Province produce or intend to produce a power service and sell not more than one petajoule of the said power service per year (the Independent Power Producers);

AND WHEREAS the Minister of Energy, Mines ^{27 (Correction made by M.E. Order 31-8)} and Petroleum Resources (the Minister), pursuant to s.23(3)(b) of the Act, may authorize the British Columbia Utilities Commission (the BCUC) to make orders pursuant to s.27(2);

AND WHEREAS the BCUC, pursuant to s.85.3 of the Act, will be reviewing Energy Supply Contracts entered into by the aforementioned Independent Power Producers;

NOW THEREFORE, effective as of the date written below, and until further notice, the Minister hereby authorizes the BCUC to make orders pursuant to s.27(2)(a)(ii) of the Act with respect to contracts between the said Independent Power Producers and the British Columbia Hydro and Power Authority and the British Columbia Power Export Corporation.



Honourable Jack Davis
Minister

Dated at the City of Victoria, Province of British Columbia,
this 10~~th~~ day of April, 1989.