



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 Permission to Cease Operations of Utility Assets

BEFORE: P. Ostergaard, Chair)
R.D. Deane, Commissioner) March 28, 2002
K.L. Hall, Commissioner)
N.F. Nicholls, Commissioner)

O R D E R

WHEREAS:

- A. On March 12, 2002, British Columbia Hydro and Power Authority ("B.C. Hydro") applied to the Commission for permission to decommission its Boston Bar Diesel Generating Station located at Boston Bar, B.C., pursuant to Section 41 of the Utilities Commission Act ("the Act"); and
- B. The Boston Bar Diesel Generating Station, which provides backup power during transmission outages, consists of two units: a 185 kW Vivian diesel installed in 1951 and a 700 kW GM/Allison diesel installed in 1959. B.C. Hydro states that both units are at the end of their useful lives and would require substantial refurbishment to provide reliable service. The aging plant is no longer economical to operate and the fuel tanks, fuel lines and spill containment no longer meet current standards; and
- C. B.C. Hydro advises that Scuzzy Creek Hydro, an Independent Power Producer, supplies a reliable backup power source to the area; and
- D. The estimated cost of decommissioning is estimated to be \$242,700, excluding any potential soil remediation costs, less the salvage value of the plant, equipment, and diesel fuel to be recovered; and
- E. Local government and customers in the region have been advised of B.C. Hydro's intention to decommission the Boston Bar Diesel Generating Station, and no issues have been raised; and
- F. The Commission has reviewed the application and finds that the Boston Bar 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 permits B.C. Hydro to decommission the Boston Bar Diesel Generating Station at Boston Bar, B.C., pursuant to Section 41 of the Act.
2. 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 net costs of the decommissioning.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of March 2002.

BY ORDER

Original signed by:

Peter Ostergaard
Chair