



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 Capitalize Costs of First Nation Negotiations and Settlements

BEFORE: P. Ostergaard, Chair)
P.G. Bradley, Commissioner) July 23, 2002
N.F. Nicholls, Commissioner)

O R D E R

WHEREAS:

- A. On June 5, 2002, British Columbia Hydro and Power Authority ("B.C. Hydro") applied for approval to capitalize ongoing negotiation and litigation costs with First Nations, the costs of settlements arising from those negotiations, and the amortization of those costs over a ten-year period beginning in the 2001/02 fiscal year; and
- B. B.C. Hydro has been in negotiations with First Nations with respect to alleged impacts as a result of the construction and operation of some of B.C. Hydro's facilities, namely, the Williston reservoir, the WAC Bennett dam, and the Bridge, Seton and Lajoie power stations; and
- C. B.C. Hydro has forecast that the cost associated with First Nations negotiations for the 2001/02 fiscal year will be \$8.005 million and includes project management, legal and technical work such as environmental studies, surveys and modeling. B.C. Hydro anticipates that negotiation costs for each fiscal year from 2002/03 to 2005/06 will be similar to those in 2001/02; and
- D. On July 17, 2002, B.C. Hydro responded to a June 12, 2002 Commission staff information request; and
- E. The Commission has reviewed the application and finds that approval is in the public interest.

NOW THEREFORE the Commission approves for B.C. Hydro the capitalization of ongoing negotiation and litigation costs with First Nations, the costs of settlements arising from those negotiations and the amortization of those costs over a ten-year period beginning in the 2001/02 fiscal year.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of July 2002.

BY ORDER

Original signed by:

Peter Ostergaard
Chair