



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

and

An Application by Vancouver Island Energy Corporation
(a Wholly-Owned Subsidiary of British Columbia Hydro and Power Authority)
Application for a Certificate of Public Convenience and Necessity
for the Vancouver Island Generation Project

BEFORE: P. Ostergaard, Chair)
P.G. Bradley, Commissioner) March 20, 2003

O R D E R

WHEREAS:

- A. On March 12, 2003, Vancouver Island Energy Corporation ("VIEC") applied pursuant to Sections 45 and 46 of the Utilities Commission Act ("the Act") for a Certificate of Public Convenience and Necessity ("the Application") for the Vancouver Island Generation Project ("VIGP", "the Duke Point Project"); and
- B. The VIEC is a wholly-owned subsidiary of British Columbia Hydro and Power Authority ("B.C. Hydro"). The Application states that the VIGP is B.C. Hydro's preferred option for securing reliable electricity supply for Vancouver Island and the Gulf Islands; and
- C. The VIGP includes a combined-cycle natural gas turbine power generating plant at Duke Point near Nanaimo, a connection and upgrade to the existing transmission grid, a short gas supply pipeline and related works. The VIGP would provide 265 megawatts of power and has an estimated cost of \$340 million and an expected in-service date of July 2006; and
- D. The environmental, economic, social, heritage and health effects of the VIGP have undergone an assessment by the Environmental Assessment Office; and
- E. The VIGP is integrally linked to the Georgia Strait Crossing Project ("GSX Project"), a proposed international natural gas pipeline from Washington State to Vancouver Island. The Canadian portion of the GSX Project is currently under review by the National Energy Board; and

F. The Commission requires that a regulatory process to deal with the Application be established.

NOW THEREFORE the Commission orders as follows:

1. Commission staff will submit initial written information requests to VIEC by Friday, March 21, 2003. VIEC will provide written responses by Monday, April 14, 2003.
2. The Commission will hold Workshops on the Application in Nanaimo on Tuesday and Wednesday, April 22 and 23, 2003 commencing at 9:00 a.m. The Workshops will address the following matters:
 - Tuesday, April 22
 - Vancouver Island Peak and Annual Demand and Supply
 - Condition of HVDC Cables and Reliability of Supply
 - Wednesday, April 23
 - Feasibility of New Transmission Lines and Other Supply Alternatives
 - Vancouver Island Generation Project and GSX Project
3. The Commission will hold a Pre-hearing Conference in Nanaimo after the conclusion of the Wednesday, April 23 Workshop, to address procedural matters which will include, but not be limited to, the following:
 - scheduling,
 - completeness of the Application,
 - identification of principal issues,
 - process (information requests, written or oral public hearing),
 - location(s) of the proceeding, and
 - other matters that will enable the proceeding to efficiently review all aspects of the Application.

A Regulatory Agenda and Timetable is attached as Appendix A to this Order. After the Pre-hearing Conference, the Commission will issue a further procedural order and regulatory agenda for the review of the Application.

2. VIEC will publish, as soon as possible, in display-ad format, the Notice of Workshop and Pre-hearing Conference, attached as Appendix B to this Order, in the Vancouver Sun and Province, the Victoria Times Colonist and such other news publications as may properly provide adequate notice to the public on Vancouver Island and the Gulf Islands.
3. The Application and supporting material will be made available for inspection at the Head Office of B.C. Hydro at 333 Dunsmuir Street, Vancouver, B.C., the Nanaimo Office of B.C. Hydro at 400 Madsen Road, and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C.
4. Intervenors and Interested Parties should inform the Commission, in writing, by Friday, April 11, 2003, of their intention to intervene and/or to attend the Workshop and Pre-hearing Conference.

DATED at the City of Vancouver, in the Province of British Columbia, this 20th day of March 2003.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachments



REGULATORY AGENDA AND TIMETABLE

Vancouver Island Energy Corporation ("VIEC")
(a Wholly-Owned Subsidiary of British Columbia Hydro and Power Authority)
Application for a Certificate of Public Convenience and Necessity
for the Vancouver Island Generation Project

ACTION

DATES (2003)

Commission Staff file Initial Information Requests	Friday, March 21
Registration of Intervenor and Interested Parties	Friday, April 11
VIEC files Responses to Initial Information Requests	Monday, April 14
Workshop on Vancouver Island Peak and Annual Demand and Supply and on Condition of HVDC Cables and Reliability of Supply	Tuesday, April 22
Workshop on Feasibility of New Transmission and Other Supply Alternatives and on Vancouver Island Generation Project and GSX Project	Wednesday, April 23
Pre-hearing Conference	Wednesday, April 23

TIME AND LOCATION OF WORKSHOPS:

Time: 9:00 a.m.

Coast Bastion Inn
Ballroom
11 Bastion Street
Nanaimo, B.C. V9R 6E4
Telephone: (250) 753-6601

THE PRE-HEARING CONFERENCE WILL FOLLOW THE WORKSHOP ON WEDNESDAY, APRIL 23, 2003.



**Vancouver Island Energy Corporation
Application for a Certificate of Public Convenience and Necessity
for the Vancouver Island Generation Project**

**NOTICE OF WORKSHOPS AND
PRE-HEARING CONFERENCE**

Date: Tuesday and Wednesday, April 22 and 23, 2003
Time: 9:00 a.m.
Location: Coast Bastion Inn
Ballroom
11 Bastion Street
Nanaimo, B.C. V9R 6E4

THE APPLICATION

Vancouver Island Energy Corporation ("VIEC") has applied to the British Columbia Utilities Commission ("the Commission") pursuant to Sections 45 and 46 of the Utilities Commission Act ("the Act") for a Certificate of Public Convenience and Necessity for the Vancouver Island Generation Project ("VIGP", "the Duke Point Project"). VIEC is a wholly-owned subsidiary of British Columbia Hydro and Power Authority ("B.C. Hydro"). The Application states that the VIGP is B.C. Hydro's preferred option for securing reliable electricity supply for Vancouver Island and the Gulf Islands.

The VIGP consists of a combined-cycle natural gas turbine power generating plant at Duke Point near Nanaimo, a connection and upgrade to the existing transmission grid, a short gas supply pipeline and related works. It would provide 265 megawatts of power, has an estimated cost of \$340 million and an expected in-service date of July 2006. Environmental and other impacts of the VIGP have undergone an assessment by the Environmental Assessment Office.

The VIGP is integrally linked to the Georgia Strait Crossing Project ("GSX Project"), a proposed natural gas pipeline from Washington State to Vancouver Island. The Canadian portion of the GSX Project currently is under review by the National Energy Board.

THE REGULATORY PROCESS

The Commission will hold Workshops on the Application in Nanaimo on Tuesday and Wednesday, April 22 and 23, 2003 commencing at 9:00 a.m. The Workshops will address the following matters:

- | | |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Tuesday, April 22 | - Vancouver Island peak and annual demand and supply
- Condition of HVDC cables and reliability of supply |
| Wednesday, April 23 | - Feasibility of new transmission lines and other supply alternatives
- Vancouver Island Generation Project and GSX Project |

The Commission will hold a Pre-hearing Conference in Nanaimo after the conclusion of the Workshop on Wednesday, April 23, to address procedural matters which will include, but not be limited to, the following:

- scheduling,
- completeness of the Application,

- identification of principal issues,
- process (information requests, written or oral public hearing),
- location(s) of the proceeding, and
- other matters that will enable the proceeding to efficiently review all aspects of the Application.

After the Pre-hearing Conference, the Commission will issue a further procedural order and regulatory agenda for the review of the Application.

PUBLIC INSPECTION OF THE DOCUMENTS

The Application and supporting material will be made available for inspection at the following locations:

British Columbia Hydro and Power Authority

Head Office: 17th Floor - 333 Dunsmuir Street, Vancouver, B.C.
(604) 623-4046

Regional Office: 400 Madsen Road, Nanaimo, B.C.
(250) 755-4700

British Columbia Utilities Commission

Sixth Floor, 900 Howe Street, Vancouver, B.C.

The Application is available for viewing on B.C. Hydro's web site at www.bchydro.com/vigp.

INTERVENTIONS

Persons who expect to actively participate in the proceeding should register as Intervenor with the Commission, in writing, by Friday, April 11, 2003 identifying their interest in the Application, indicating if they plan to attend the Workshops and Pre-hearing Conference and providing an e-mail address if available. Intervenor will receive copies of the Application, all correspondence and filed documentation.

Persons not expecting to actively participate, but who have an interest in the Application, should register as Interested Parties with the Commission, in writing, by Friday, April 11, 2003 identifying their interest in the matter and indicating if they plan to attend the Workshops and Pre-hearing Conference. Interested Parties will receive a copy of the Application's Executive Summary and all Orders issued.

FURTHER INFORMATION

For further information, please contact Mr. Robert J. Pellatt, Commission Secretary, or Mr. Brian Williston, Manager, Engineering and Commodity Markets as follows:

Telephone: (604) 660-4700
B.C. Toll Free: 1-800-663-1385

Facsimile: (604) 660-1102
E-Mail: Commission.Secretary@bcuc.com