

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** C-1-04

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

and

**An Application by Aquila Networks Canada (British Columbia) Ltd.
for Approval of the Kelowna Area Upgrade Project**

BEFORE: L.A. Boychuk, Commissioner) March 11, 2004
L.F. Kelsey, Commissioner)

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

WHEREAS:

- A. On October 27, 2003, Aquila Networks Canada (British Columbia) Ltd. ("Aquila") applied for a Certificate of Public Convenience and Necessity ("CPCN") to upgrade the Kelowna area facilities of the Lee Terminal Station and the Bell Terminal Station (the "Project"); and
- B. The need for additional transformer capacity for the Kelowna area was identified in the West Kootenay 20-Year Transmission System Plan filed with the Commission in 1999 and the Project was subsequently redesigned to incorporate additional benefits for reliability and reduced losses; and
- C. The Project consists of the addition of a 168 MVA Transformer associated switchgear, protection, and communications equipment at the Bell Terminal Station, the modification of the 230 kV and 138 kV bus and associated works at Lee Terminal Station, and the modification of the Lee Terminal Station distribution system; and
- D. The Project is estimated to cost \$14.7 million and is required to be complete at the Bell Terminal Station by June of 2005 and at the Lee Terminal Station by the end of 2006; and
- E. The project is required to meet load projections for the summer of 2005 and to improve the reliability of supply to the Kelowna area; and

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER C-1-04**

2

- F. The Commission has reviewed the Application and responses to the Commission's request for information and has determined that the Project is in the public interest and should be approved.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to Section 45 of the Act the Commission issues to Aquila a CPCN for the Kelowna Upgrade project.
2. Before the start of construction Aquila is to provide a project management plan describing the organization of the project management team, the use and supervision of consultants and contractors, and the type of contracts used for the construction of the facilities.
3. Thereafter Aquila is to provide bi-monthly project progress reports describing the status of the Project with respect to timing and budget and major problems and a final report explaining variances greater than 10 percent of the Project's estimated budget.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of March 2004.

BY ORDER

Original signed by:

Lori Ann Boychuk
Commissioner