



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-7-07

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

and

**An Application by British Columbia Transmission Corporation
for Approval to Construct Interconnection Facilities
for the Ashlu Creek Power Project**

BEFORE: L.F. Kelsey, Commissioner January 18, 2007
L.A. Zaozirny, Commissioner

O R D E R

WHEREAS:

- A. The Ashlu Creek Power Project (the "Project") is a hydro generating facility to be located on Ashlu Creek near Squamish, B.C., and the Project proponents have entered into an Electricity Purchase Agreement with British Columbia Hydro and Power Authority; and
- B. The British Columbia Transmission Corporation ("BCTC") included the expenditures to connect the Project to its transmission grid in its Transmission System Capital Plans that were approved by Commission Orders No. G-103-04 and G-91-05; and
- C. BCTC filed an update to its Transmission System Capital Plan for the period F2006 through F2015 on January 27, 2006 that requested approval of a number of new projects and the removal of 14 projects to connect Independent Power Producers. The interconnection of the Project was one of the 14 projects, which BCTC proposed be deferred until such time as the Project proponents enter into facilities and interconnection agreements with BCTC; and
- D. In its Decision dated June 14, 2006 and Order No. G-67-06, the Commission approved the removal of the 14 projects, and directed that if any of the 14 projects were resurrected, BCTC must seek Commission approval for the capital expenditures at that time; and
- E. On January 11, 2007, BCTC applied for public interest approval pursuant to Section 45(6.2)(b) of the Utilities Commission Act (the "Act") to construct interconnection facilities for the Project (the "Application"); and
- F. The estimated cost of the facilities is \$3.908 million excluding GST; of which \$1.912 million of this amount is the cost of Direct Assignment Facilities that are funded by the Project proponent, and the remaining \$1.996 million are Network Upgrades; and
- G. BCTC has entered into a Facilities Agreement and intends to enter into an Interconnection Agreement with the Project proponent prior to commercial operation of the Project, consistent with its Tariff; and

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- H. In the Application, BCTC recognizes that the Commission may review any difference between the estimated and actual cost of the Network Upgrade Facilities when BCTC applies to have these costs recovered in a future revenue requirements proceeding; and
- I. The Commission has reviewed the Application and concludes that the expenditures to connect the Project are in the public interest.

NOW THEREFORE pursuant to Section 45(6.2)(b) of the Act, the Commission approves the capital expenditures for the construction of interconnection facilities for the Project as being in the public interest.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of January 2007.

BY ORDER

Original signed by

L.F. Kelsey
Commissioner