

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** G-100-07

TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
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**IN THE MATTER OF  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

**and**

**A Filing by British Columbia Hydro and Power Authority  
of the 2007 Electricity Purchase Agreement with Alcan Inc.  
as an Energy Supply Contract Pursuant to Section 71**

**BEFORE:**

R.H. Hobbs, Chair  
A.J. Pullman, Commissioner  
N.F. Nicholls, Commissioner

September 7, 2007

**O R D E R**

**WHEREAS:**

- A. On November 1, 2006, British Columbia Hydro and Power Authority ("BC Hydro") filed with the British Columbia Utilities Commission (the "Commission") pursuant to Section 71 of the Utilities Commission Act (the "Act") a Long-Term Electricity Purchase Agreement Amending Agreement ("Amending Agreement") dated October 27, 2006 to which was attached an Amended and Restated Long-Term Electricity Purchase Agreement ("Amended and Restated LTEPA") between Alcan Inc. ("Alcan") and BC Hydro; and
- B. By Order No. G-176-06 dated December 29, 2006, the Commission found that the Amending Agreement and the Amended and Restated LTEPA were not in the public interest, and declared the contracts unenforceable; and
- C. On September 5, 2007, BC Hydro filed (the "Filing") with the Commission pursuant to Section 71 of the Act the 2007 Electricity Purchase Agreement ("2007 EPA") between Alcan and BC Hydro dated August 13, 2007 that replaces existing agreements for the sale of electricity by Alcan to BC Hydro; and
- D. Under the 2007 EPA, Alcan will provide energy, capacity, shaping, scheduling and coordination services; and
- E. The term of the 2007 EPA is from October 1, 2007 to December 31, 2034. If the Commission does not accept the contract for filing by January 31, 2008, the parties' obligations to each other under the 2007 EPA cease as of March 31, 2008; and
- F. The 2007 EPA is also filed pursuant to Section 61(1) of the Act in so far as it provides for BC Hydro to deliver energy to Alcan as part of coordination service arrangements; and

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- G. BC Hydro has provided a draft Report (the “Report”) that describes the 2007 EPA and the role of the power supplied under it, to certain stakeholders. Also, BC Hydro has scheduled a public Workshop on September 12, 2007; and
- H. BC Hydro states that it will file the Report in final form on September 21, 2007; and
- I. BC Hydro requests that the Commission set down a Procedural Conference during the week of September 24, 2007 regarding the regulatory review of the 2007 EPA; and
- J. The Commission has determined that a Procedural Conference is required to hear submissions on the regulatory process for the review of the 2007 EPA.

**NOW THEREFORE** the Commission orders as follows:

1. A Procedural Conference regarding the regulatory process for the review of the 2007 EPA filed by BC Hydro will be held on Wednesday, September 26, 2007 commencing at 9:00 a.m. in the Commission Hearing Room on the Twelfth Floor, 1125 Howe Street, Vancouver, B.C., to address procedural matters which will include, but may not be limited to, the following:
  - identification of the principal issues arising from or related to the Filing;
  - process steps and associated dates for the regulatory review, including:
    - whether Intervenors intend to file evidence;
    - whether the review should proceed by an oral or written public hearing, or some other process;
    - if there is an oral hearing, the location(s) for the hearing; and
  - other matters that may assist the Commission to efficiently review the Filing.
2. After the Procedural Conference, the Commission will issue a further procedural Order and Regulatory Timetable for the review of the Filing.
3. BC Hydro will publish, as soon as possible, in display-ad format, the Notice of Energy Supply Contract Filing and Procedural Conference attached as Appendix A to this Order, in the Vancouver Sun and Province, the Victoria Times Colonist, and such other appropriate local news publications as may properly provide adequate notice to the public in Kitimat area and the remainder of BC Hydro’s service area.
4. The Filing, together with any supporting materials, will be made available for inspection at the BC Hydro Vancouver Head Office, and at the Commission’s office.

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5. Intervenors and Interested Parties should register with the Commission, in writing, by Friday, September 28, 2007. Intervenors should specifically state the nature of their interest in the Filing and identify generally the nature of the issues that they intend to pursue during the proceeding and the nature and extent of their anticipated involvement in the review process.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 7<sup>th</sup> day of September 2007.

**BY ORDER**

*Original signed by:*

Robert H. Hobbs  
Chair

Attachment



**APPENDIX A**  
to Order No. G-100-07  
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**A Filing by British Columbia Hydro and Power Authority  
of the 2007 Electricity Purchase Agreement with Alcan Inc.  
as an Energy Supply Contract pursuant to Section 71**

**NOTICE OF ENERGY SUPPLY CONTRACT FILING AND  
PROCEDURAL CONFERENCE**

|                  |   |
|------------------|---|
| <b>Date:</b>     | Wednesday, September 26, 2007   |
| <b>Time:</b>     | 9:00 a.m.   |
| <b>Location:</b> | Commission Hearing Room<br>Twelfth Floor<br>1125 Howe Street<br>Vancouver, B.C. |

**THE ENERGY SUPPLY CONTRACT**

On September 5, 2007, BC Hydro filed with the Commission the 2007 Electricity Purchase Agreement ("2007 EPA") with Alcan, which replaces existing agreements for the sale of electricity by Alcan to BC Hydro. Under the 2007 EPA, Alcan will provide electrical energy, capacity, shaping, scheduling and coordination services. The term of the contract is to the end of 2034.

BC Hydro scheduled a Workshop on the 2007 EPA on September 12, 2007, and intends to file a Report to identify key features of the 2007 EPA and its value to ratepayers by September 21, 2007.

**THE REGULATORY PROCESS**

Order No. G-100-07 established a Procedural Conference to hear submissions on the regulatory process. The Procedural Conference will commence at 9:00 a.m. on Wednesday, September 26, 2007 in the Commission Hearing Room on Twelfth Floor of 1125 Howe Street in Vancouver.

**PUBLIC INSPECTION OF THE DOCUMENTS**

The 2007 EPA and supporting documents will be made available for inspection at the BC Hydro Head Office on the Seventeenth Floor at 333 Dunsmuir Street, Vancouver, B.C., V6B 5R3, and the British Columbia Utilities Commission office: Sixth Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3.

The 2007 EPA and supporting documents will also be available for viewing on BC Hydro's website at [www.bchydro.com](http://www.bchydro.com), and on the Commission's website at [www.bcuc.com](http://www.bcuc.com).

## **INTERVENTIONS**

Persons who expect to actively participate in the BC Hydro proceeding should register as Intervenor with the Commission, in writing, by Friday, September 28, 2007. Intervenor should identify the issues that they intend to pursue and the nature and extent of their anticipated involvement in the review process. Intervenor will each receive a copy of all non-confidential correspondence and filed documentation and should provide an e-mail address if available.

Persons not expecting to actively participate, but who have an interest in the proceeding should register as Interested Parties with the Commission, in writing, by Friday, September 28, 2007, identifying their interest in the proceeding. Interested Parties will receive a copy of the Executive Summary from the Report on the 2007 EPA.

All submissions and/or correspondence received from active participants or the public relating to the 2007 EPA will be placed on the public record and posted to the Commission's web site.

## **FURTHER INFORMATION**

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

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