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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** E-3-08

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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 January 29, 2008
N.F. Nicholls, Commissioner

O R D E R

WHEREAS:

- A. On September 5, 2007, 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") the 2007 Electricity Purchase Agreement between Alcan Inc. ("Alcan") and BC Hydro dated August 13, 2007, and by a letter dated October 24, 2007, Alcan and BC Hydro amended the agreement (as amended, the "2007 EPA"); and
- B. Under the 2007 EPA, Alcan will provide energy, capacity, shaping, scheduling and coordination services to BC Hydro; and
- C. 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 will cease as of March 31, 2008; and
- D. BC Hydro also filed the 2007 EPA pursuant to section 61(1) of the Act insofar as it provides for BC Hydro to deliver energy to Alcan as part of coordination services arrangements; and
- E. BC Hydro held a public workshop on September 12, 2007 and, on September 21, 2007, submitted a Report (the "Report") that describes the 2007 EPA; and
- F. On September 21, 2007, Alcan submitted the Alcan Report in support of the 2007 EPA and the Report; and
- G. Pursuant to Order No. G-100-07, the Commission held a Procedural Conference on September 26, 2007 to hear submissions on the regulatory process for review of the filing; and

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- H. By Order No. G-120-07, the Commission established a second Procedural Conference on October 5, 2007 regarding the scope of the proceeding, an Oral Hearing into the 2007 EPA commencing November 19, 2007 and the Regulatory Timetable for the proceeding; and
- I. By Letter No. L-83-07 dated October 10, 2007, the Commission Panel defined the scope of the Oral Hearing and made certain other determinations regarding the record and scope of the proceeding; and
- J. The Oral Hearing continued for five days from November 19 through November 23, 2007; and
- K. On November 27, 2007, the Commission Panel heard Argument on whether or not the 2007 EPA impacts water flows on the Nechako River, and by Letter No. L-95-07 dated November 29, 2007, issued its determination on the matter; and
- L. Final Argument concluded with BC Hydro and Alcan making oral Reply Argument on December 18, 2007; and
- M. The Commission Panel has considered the submissions it has received and has concluded that the 2007 EPA should be accepted as filed by BC Hydro, pursuant to sections 61(1) and 71 of the Act.

NOW THEREFORE the Commission orders as follows:

- 1. The 2007 EPA is accepted as filed by BC Hydro, as an energy supply contract pursuant to section 71 of the Act and as a rate pursuant to section 61(1) of the Act with respect to the delivery of energy to Alcan as part of coordination services arrangements.
- 2. BC Hydro is directed to comply with the directions of the Commission in the Decision that is issued concurrently with this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 29th day of January 2008.

BY ORDER

Original signed by:

Robert H. Hobbs
Chair