

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-121-08**

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

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 Central Coast Power Corporation
and Boralex Ocean Falls Limited Partnership
for Approval of the Sale and Disposition of Utility Assets of
Central Coast Power Corporation to Boralex Ocean Falls Limited Partnership**

BEFORE: P.E. Vivian, Commissioner August 22, 2008

O R D E R

WHEREAS:

- A. On August 1, 2008 Central Coast Power Corporation ("CCPC") and Boralex Ocean Falls Limited Partnership ("Boralex LP") applied pursuant to Section 52(1) of the Utilities Commission Act ("the Act") for an Order approving the sale and disposition of Utility Assets of CCPC to Boralex LP as set out in the agreement dated June 3, 2008 (the "Purchase Agreement") or alternatively pursuant to section 2.(e) of BCUC Order G-40-86 dated July 4, 1986 (the "Application"); and
- B. Central Coast Hydro Ltd. ("CCH"), a non-regulated business, owns certain rights respecting potential hydroelectric projects located at or near Atnarko River and Bella Coola Valley in BC that CCH will sell to Boralex LP as part of the Purchase Agreement; and
- C. On February 19, 1986 a 20 year agreement was signed by CCPC and BC Hydro and Power Authority ("BC Hydro"). CCPC would supply electricity to BC Hydro at the point of delivery which was the point where CCPC's transmission connection met BC Hydro's substation in Bella Bella, BC (the "Power Purchase Agreement"); and
- D. On March 27, 1986, CCPC purchased certain lands and chattels that included the dam, powerhouse, transmission and distribution systems in the Ocean Falls, BC town site and mill site from the Ocean Falls Corporation ("OFC"). On June 4, 1986 CCPC applied to the Commission for an exemption from the Act pertaining to the sale of electric power to residential, commercial and industrial consumers located at Ocean Falls and to Bella Bella, BC; and

- E. Commission Order G-40-86 approved the Transfer of Lands and Chattels from OFC to CCPC and exempted CCPC from the Act (S.B.C 1980 Chapter 60) except for Part 2 and Sections 30, 44, 47 and 133 which are now identified in the current Act as Part 2 and Sections 25, 38, 41 and 117; and
- F. Order G-40-86 allowed CCPC to negotiate rates with industrial customers subject to certain limitations set out in Schedule F of the Agreement between CCPC and OFC that was attached to the order. In the event of a complaint by an interested party, the Commission may review whether the exemption for CCPC continues to be in the public interest; and
- G. The 20 year Power Purchase Agreement between CCPC and BC Hydro was extended for another 10 years to December 31, 2016 (BC Hydro 2007 Rate Design Phase II Hearing, Exhibit B-79); and
- H. Commission Order G-30-02 amended Order G-40-86 with respect to Schedule F, by striking out Section 2 (c) and replacing it with “For present firm installed capacity in CCPC’s Ocean Falls generating facility, industrial customers are to be charged rates as negotiated by the parties, but not to exceed the rate authorized by BC Hydro’s Rate Schedules 1821, 1200, 1201, 1210, or 1211 as amended from time to time, for similar service. In the event that additional generation, above the firm installed capacity of the plant is required, the parties may negotiate rates with consideration of the cost of installing additional generation”; and
- I. Order G-30-02 was also amended by striking out paragraph 2(a) and replacing it with “CCPC shall fully comply with the terms of its agreements with B.C. Hydro and Ocean Falls Corporation (except for Schedule F) attached as Appendices I and II respectively”; and
- J. Boralex LP is a limited partnership under British Columbia’s Partnership Act. The Partners of Boralex LP are Boralex Inc. (Limited Partner) and Boralex B.C. Development Inc. (General Partner). Boralex Inc. is one of Canada’s largest and most experienced corporations in the development and production of renewable energy and is based in Quebec; and
- K. Boralex LP is also applying for the continuation of the exemption for rates currently charged to residents and other customers as set out in Order G-40-86 and for industrial customers as amended in Order G-30-02; and
- L. CCPC has informed its customers by personally meeting with every permanent customer in Ocean Falls. A copy of the letter is posted in the Ocean Falls Post Office. A letter was sent to all non-resident account holders informing them of the sale. The industrial customer has agreed to the transfer of its contract with CCPC to Boralex LP; and

M. Section 52 (1) states:

1. "Except for a disposition of its property in the ordinary course of the business, a public utility must not, without first obtaining the commission's approval,
 - a) Dispose of or encumber the whole or a part of its property, franchises, licenses, permits, concessions, privileges or rights, or
 - b) By any means, direct or indirect, merge, amalgamate or consolidate in whole or in part its property, franchises, licenses, permits, concessions, privileges or rights with those of another person.
2. The commission may give its approval under this section subject to conditions and requirements considered necessary or desirable in the public interest."; and

N. The Commission has determined that a regulatory process to deal with the Application is warranted.

NOW THEREFORE the Commission orders as follows:

1. The Application will be examined through a written public hearing process and the Regulatory Timetable, attached as Appendix A, has been established.
2. The Applicant shall, as part of its stakeholder consultation process, inform the public of the Application and respond to questions from the public concerning the Application and process to consider the Application.
3. The Applicant will publish by Saturday, August 30, 2008, in display-ad format, the Notice of Written Public Hearing Process, attached as Appendix B; in such appropriate local news publications and the Post Office as may properly provide adequate notice to the customers served in the service areas of CCPC.
4. The Application, including responses to Commission information requests, and supporting material will be made available for inspection at:
 - Central Coast Power Corporation at 629 Senanus Drive, Saanichton, BC, V8M 1S6 Contact Mr. Tony Knott (250) 544-4985
 - Boralex Ocean Falls Limited Partnership at 15th Floor, 1040 West Georgia Street, Vancouver, BC, V6E 4H8 Contact Mr. Waldemar Brault (604) 687-4460
 - British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-121-08

4

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of August 2008.

BY ORDER

Original signed by:

P.E. Vivian
Commissioner

Attachment

**An Application by Central Coast Power Corporation
and Boralex Ocean Falls Limited Partnership
for Approval of the Sale and Disposition of Utility Assets of
Central Coast Power Corporation to Boralex Ocean Falls Limited Partnership**

REGULATORY TIMETABLE

ACTION	DATES 2008
Publication of Notice of Written Public Hearing process	Saturday, August 30
Commission Information Request CCPC & Boralex LP ("Applicants")	Friday, September 12
Deadline for registration of Intervenor and Interested Parties	Monday, September 22
Applicants Responses to Commission Information Request	Wednesday, September 24
Intervenor Information Request to Applicants	Wednesday, October 1
Applicants Responses to Intervenor Information Requests	Wednesday, October 8
Intervenor Written Submission	Monday, October 20
Applicant's Written Reply	Tuesday, October 28



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

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

NOTICE OF WRITTEN PUBLIC HEARING PROCESS

Central Coast Power Corporation and Boralex Ocean Falls Limited Partnership Application for Approval of Sale and Disposition of Utility Assets

THE APPLICATIONS

On August 1, 2008, Central Coast Power Corporation ("CCPC") and Boralex Ocean Falls Limited Partnership ("Boralex LP") applied pursuant to Section 52(1) of the Utilities Commission Act ("the Act") for an Order approving the sale and disposition of Utility Assets of CCPC to Boralex LP (the "Application").

CCPC, Central Coast Hydro Ltd. ("CCH") and Boralex LP have entered into a June 3, 2008 agreement for the sale and transfer of Utility Assets of CCPC in Ocean Falls and CCH non-utility rights for potential hydroelectric projects located at or near Atnarko River and Bella Coola to Boralex LP.

Boralex LP is a limited partnership under the British Columbia's Partnership Act. Boralex LP's Limited Partner is Boralex Inc. Boralex Inc. is one of Canada's largest and most experienced private corporations in the development of and production of renewable energy. Boralex Inc. currently operates 21 power generation sites with a total installed capacity of 351 megawatts. Boralex Inc. has facilities in Quebec, the northeastern United States and France, in three different types of electricity generation: wind power (7 sites), hydroelectric power (7 power stations) and thermal power (7 power stations).

THE REGULATORY PROCESSES

CCPC is a public utility as defined in the Act and is regulated by the British Columbia Utilities Commission (the "Commission").

By Order G-xx-08, the Commission has established a Written Public Hearing process for review of the Application.

PUBLIC INSPECTION OF THE APPLICATIONS

The Application, including responses to Commission information requests, and supporting material will be made for inspection at:

- Central Coast Power Corporation 629 Senanus Drive, Saanichton, British Columbia, V8M 1S6, Contact Mr. Tony Knott (250) 544-4985

- Boralex Ocean Falls Limited Partnership 15th Floor, 1040 West Georgia, Vancouver , British Columbia Contact Mr. Waldemar Brault (604) 687-4460
- British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver B.C., B6Z 2N3

REGISTERING TO PARTICIPATE

Persons who expect to actively participate in this proceeding should register as Intervenor with the Commission in writing or electronic submission by Monday September 22, 2008, identifying their interest in the Application. Intervenor will each receive a copy of the Application and all correspondence and filed documentation. Intervenor should provide an e-mail address if available. Notification by courier delivery, fax, e-mail, or online registration via the Commission's website is acceptable.

Persons not expecting to actively participate, but who have an interest in the proceeding should register as Interested Parties with the Commission, in writing or electronic submission by Monday, September 22, 2008, identifying their interest in the Application. Interested parties will each receive a copy of the Application, excluding the Schedules, and all Orders and Decisions issued.

FURTHER INFORMATION

For further information, please contact Erica Hamilton, Commission Secretary, by email at commission.secretary@bcuc.com, or by telephone at (604) 660-4700 (BC Toll Free: 1-800-663-1385).