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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-78-10**

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473, as amended
and
An Application by British Columbia Hydro and Power Authority
for Permission to Retire Assets

BEFORE: L.F. Kelsey, Commissioner April 29, 2010

O R D E R

WHEREAS:

- A. On November 13, 2009, British Columbia Hydro and Power Authority (BC Hydro) applied to the British Columbia Utilities Commission (Commission) for permission to permanently cease operations at Lake Buntzen 2 Generating Station (LB2) located on Indian Arm in the Lower Mainland pursuant to section 41 of the *Utilities Commission Act* (the Act); and
- B. LB2 has not generated electricity since 2002; and
- C. A number of safety and environmental risks have been identified at LB2, the most critical of which relate to the water intake and the powerhouse; and
- D. BC Hydro undertook a series of consultation and communication activities for the LB2 Stage 1 and Stage 2 work; and
- E. On December 22, 2009 and January 7, 2010 BC Hydro responded to information requests from the Commission; and
- F. First Nations have been advised of BC Hydro's intention to permanently cease operations at LB2 and no First Nations have expressed opposition; and
- G. The Commission has reviewed the application and finds that LB2 is no longer a useful facility for generating electricity and should be removed from utility service.

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NOW THEREFORE the Commission orders as follows:

1. The Commission grants permission for BC Hydro to permanently cease operations at LB2 pursuant to section 41 of the Act, as set out in the Application dated November 13, 2009.
2. BC Hydro is to file a report with the Commission upon completion of the Stage 2 work, summarizing the costs and their accounting treatment.
3. BC Hydro is to file a report every two years, commencing April 1, 2012, indicating the work planned and an associated cost estimate for the subsequent two-year period.

DATED at the City of Vancouver, in the Province of British Columbia, this 29th day of April 2010.

BY ORDER

Original signed by:

L. F. Kelsey
Commissioner