

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



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-64-11**

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

**International Forest Products Limited – Adams Lake Lumber Division
Application for a Prospective Growth Adjustment to their Baselines
Pursuant to Clause 13 of the Large General Service Negotiated Settlement Agreement
as Approved by Commission Order G-110-10**

BEFORE: L.F. Kelsey, Commissioner
C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner
D. Morton, Commissioner

March 31, 2011

ORDER

WHEREAS:

- A. On October 16, 2009, British Columbia Hydro and Power Authority (BC Hydro) filed its Large General Service (LGS) Rate Application seeking orders establishing new energy rates, including two-part rates, for customers who take or would take service under Rate Schedules (RS) 1200, 1201, 1210, 1211 – General Service (35kW and Over);
- B. A Negotiated Settlement Process (NSP) was held to review the LGS Rate Application during March and April 2010 and a Negotiated Settlement Agreement (NSA) was reached and made public on May 14, 2010. The British Columbia Utilities Commission (Commission or BCUC)) approved the NSA by Order G-110-10 dated June 29, 2010;
- C. Clause 13 of the NSA (attached as Appendix B to Order G-110-10) states: “[c]ustomers on a two-part rate who anticipate significant, permanent increases in energy consumption may apply to the BCUC to seek an increase in their HBLs, on a prospective basis. ‘Permanent’ means arising from a significant capital investment in plant. ‘Significant’ means increases in energy consumption totaling at least 30%, or 4,000,000 kWh. In addition, the customer’s application may address the electricity efficiency and/or GHG effect of the capital investment.”;
- D. On March 1, 2011, International Forest Products Limited (Interfor) applied to the Commission for: (i) an increase in setting its Adams Lake Sawmill Division historical baseline (HBL) pursuant to Clause 13 of the NSA and (ii) the implementation of the January 1, 2011 implementation of the LGS rates be set as interim and refundable assuming approval of the first request;

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** **G-64-11**

2

- E. On March 3, 2011, Order G-37-11 ordered that the LGS rates for Interfor's Adams Lake Lumber Division be made interim and refundable effective March 3, 2011;
- F. By letter dated March 7, 2011, BC Hydro supported Order G-37-11 that made the Interfor's LGS rate interim. BC Hydro also made clear that it has not formed any views on the substance of Interfor's application;
- G. The Commission Panel has considered the Interfor's request in setting its Adams Lake Lumber Division HBL and BC Hydro's letter of comments, and has determined that Interfor's request should be granted.

NOW THEREFORE, the Commission orders as follows:

- 1. BC Hydro's LGS rate, as it is applicable solely to Adams Lake Lumber Division, will have its HBL for 2011 reflective of the energy consumed in 2010.
- 2. The calculation of HBL for 2012 and subsequent years will reflect the agreements as contained in the NSA that is attached as Appendix B to Order G-110-10.

DATED at the City of Vancouver, in the Province of British Columbia, this 31st day March, 2011.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner