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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-20-11**

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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**British Columbia Hydro and Power Authority
Tariff Supplement No. 81 to BC Hydro's Open Access Transmission Tariff
AltaGas Northwest Projects Umbrella Agreement**

BEFORE: L.F. Kelsey, Commissioner
D.A. Cote, Commissioner
D. Morton, Commissioner

February 17, 2011

ORDER

WHEREAS:

- A. British Columbia Hydro and Power Authority (BC Hydro) is planning the construction of the Northwest Transmission Line (NTL). Under section 7(1) of the *Clean Energy Act* (CEA), the NTL is exempt from sections 45 to 47 of the *Utilities Commission Act* (Act);
- B. Coast Mountain Hydro Limited Partnership (CMHLP) is planning to develop the Forrest Kerr Hydroelectric Project (FK Project) and has entered into an electricity purchase agreement (EPA) with BC Hydro. Under sections 7(1) and 7(2) of the CEA, BC Hydro and CMHLP are exempt from section 71 of the Act in respect of the EPA;
- C. On May 28, 2010, the British Columbia Transmission Corporation (BCTC) and CMHLP entered into the AltaGas Northwest Projects Umbrella Agreement (Umbrella Agreement). The Umbrella Agreement, which includes the Forrest Kerr Project Standard Generator Interconnection Agreement (FK SGIA), facilitates the interconnection of the FK Project and the anticipated output of two other generation projects;
- D. The Government of British Columbia enacted legislation that effected the transfer of substantially all of BCTC's assets to BC Hydro as of July 5, 2010, including, but not limited to, the Umbrella Agreement;
- E. On February 2, 2011, BC Hydro submitted to the British Columbia Utilities Commission (Commission) an application requesting that the Umbrella Agreement be set as a rate and, more particularly, as the proposed Tariff Supplement No. 81 to BC Hydro's Open Access Transmission Tariff (OATT) under section 8(2) of the CEA and sections 58 to 61 of the Act (Application);

- F. Section 8(2) of the CEA stipulates that the Commission must set under the Act a rate proposed by BC Hydro with respect to the NTL project. Section 2(b) of the *Exempt Projects, Programs, Contracts and Expenditures Regulation* expressly includes the Umbrella Agreement as part of the NTL project;
- G. The Umbrella Agreement, under section 5.1(vi), requires the requested Commission order as a condition precedent that must be satisfied by March 1, 2011;
- H. The Commission has considered the Application and finds its approval is warranted.

NOW THEREFORE the Commission approves the Application to set the AltaGas Northwest Project Umbrella Agreement, including the FK SGIA, as a rate and more particularly as Tariff Supplement No. 81 to BC Hydro's OATT.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of February 2011.

BY ORDER

Original signed by:

D. Morton
Commissioner