



**ORDER NUMBER**  
**G-186-16**

IN THE MATTER OF  
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority  
Application of a Bypass Rate for  
West Fraser Mills Ltd. (Pacific Inland Resources Division)  
Special Electric Service Agreement Tariff Supplement No. 93

**BEFORE:**

D. M. Morton, Commissioner  
H. G. Harowitz, Commissioner  
M. Kresivo, Commissioner  
R. I. Mason, Commissioner  
R. D. Revel, Commissioner

on December 15, 2016

**ORDER**

**WHEREAS:**

- A. On November 24, 2016, British Columbia Hydro and Power Authority (BC Hydro) filed for British Columbia Utilities Commission (Commission) approval of a Special Electric Service Agreement Tariff Supplement No. 93 between BC Hydro and West Fraser Mills Ltd. (West Fraser) for its Pacific Inland Resources Division (Application). The Application is filed in accordance with the Guidelines and the Agreement would allow West Fraser to bypass BC Hydro's distribution system and to thereby receive transmission service under Rate Schedule 1823;
- B. On September 2, 1999, the Commission issued its Decision pertaining to the Bypass Rate Guidelines (Guidelines) for BC Hydro, included as Attachment A to Order G-88-99;
- C. The purpose of the Guidelines was to provide direction as to how the Commission may consider bypass applications from BC Hydro and/or jointly with its customers;
- D. The Guidelines contemplate that when the customer's costs of bypass exceeds BC Hydro's incremental cost of service, the customer would be offered the opportunity to switch from Rate Schedule 1211 to Rate Schedule 1821 upon payment to BC Hydro of an amount equal to the customer's cost of the bypass, calculated in the form of a rate rider;
- E. On August 29, 2005 the Commission, by Order G-79-05, approved BC Hydro's Transmission Service Stepped Rate Schedule 1823 as a replacement for Rate Schedule 1821;

- F. BC Hydro states that all customers will benefit as the bypass rate will provide net positive contributions to BC Hydro's revenues as compared to the option of West Fraser constructing and operating the bypass facilities; and
- G. The Commission reviewed the Special Electric Service Agreement between BC Hydro and West Fraser and finds that approval should be granted.

**NOW THEREFORE** pursuant to sections 59 – 61 of the *Utilities Commission Act*, the British Columbia Utilities Commission approves the Special Electric Service Agreement Tariff Supplement No. 93 between British Columbia Hydro and Power Authority and West Fraser Mills Ltd., for its Pacific Inland Resources Division. The bypass rate is equivalent to a rate rider charge of \$16,415 per monthly Billing Period, as defined in Rate Schedule 1823, which shall commence on the first day of the first Billing Period and terminate on the twentieth anniversary of that date.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 15<sup>th</sup> day of December 2016.

BY ORDER

*Original signed by:*

D. M. Morton  
Commissioner