

IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c.60, as amended

and

IN THE MATTER OF an Application by
British Columbia Hydro and Power Authority

BEFORE: J.G. McIntyre,)
Chairman,)
W.M. Swanson, Q.C.,) January 21, 1991
Commissioner; and)
K.L. Hall,)
Commissioner)

ORDER

WHEREAS:

- A. On December 5, 1989, pursuant to Section 67(1) of the Utilities Commission Act ("the Act"), British Columbia Hydro and Power Authority ("B.C. Hydro") filed an Application for Commission approval of standard form Terms and Conditions of contracts for electric service to bulk transmission rate customers together with Electric Tariff Sheets for amendments to Rate Schedule 1821 General Service - Transmission, and the filing of Rate Schedule 1880 - General Service Transmission - Emergency, Maintenance and Special Supply; and
- B. These terms and conditions have been the subject of negotiations between B.C. Hydro and the Mining Association of British Columbia, the Council of Forest Industries of B.C. and the Electro-Chemical Users of B.C. (collectively known as "the Industrial Users") for a number of years; and
- C. On March 12, 1990 the Industrial Users, in a letter to the Commission, identified three major areas of principle, namely: Basic Obligations (reserve and supply), Force Majeure, and Liability and Indemnity, upon which the parties had been unable to agree, and requested that these issues be resolved by the Commission after a hearing. The letter also identified several secondary matters which remained unresolved; and
- D. On April 19, 1990 the Commission considered the Application, the representations made by B.C. Hydro and the Industrial Users and determined that all unresolved issues pertaining to the standard form contracts should be the subject of a public hearing and issued Commission Order No. G-29-90 which set the hearing date for June 25, 1990 and a Pre-Hearing Conference for June 4, 1990; and
- E. On June 8, 1990, at the request of B.C. Hydro, the Commission delayed the commencement of the public hearing to October 16, 1990 in order to allow B.C. Hydro and the Industrial Users more time upon which to complete negotiations and discussions; and
- F. On August 15, 1990, B.C. Hydro filed consolidated versions of the Standard Industrial Contracts which were designated: Electricity Supply Agreement and Facilities Agreement; and
- G. On September 14, 1990 a Pre-Hearing Conference revealed that B.C. Hydro and the Industrial Users were progressing satisfactorily in discussions on the standard form contracts and a further delay in the proceedings was warranted; and

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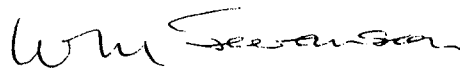
- H. On September 14, 1990 the Commission further delayed the start of the proceedings to November 19, 1990 in order to allow for continued meaningful discussions on the contracts; and
- I. On November 19, 1990 the public hearing commenced and after two subsequent adjournments in order to allow for continued, meaningful negotiations between all parties, the final hearing date into the proceeding occurred on December 17, 1990; and
- J. The Commission has considered the Application and the evidence adduced thereon all as set forth in the Decision issued concurrently with this Order.

NOW THEREFORE the Commission hereby orders B.C. Hydro as follows:

- 1. The Standard Form Electricity Supply Agreement, identified as Appendix 5.1 in the Decision, is approved as a Tariff Supplement and is required to be filed in B.C. Hydro's Electric Tariff in Electric Tariff format.
- 2. The Standard Form Facilities Agreement, identified as Appendix 5.2 in the Decision, is approved as a Tariff Supplement and is required to be filed in B.C. Hydro's Electric Tariff in Electric Tariff format.
- 3. All related agreements made with respect to responsibilities, intents and future reviews, inclusive of footnotes to individual clauses of the Agreements, are approved.
- 4. The Commission will accept, subject to timely filing, amendments to Rate Schedule 1821, General Service - Transmission and the filing of Rate Schedule 1880, General Service Transmission - Emergency, Maintenance and Special Supply consistent with the Directions contained in the Commission Decision.
- 5. B.C. Hydro will provide all customers served under Rate Schedules 1821 and 1880 copies of the Commission's Decision and the approved Electric Tariffs.

DATED at the City of Vancouver, in the Province of British Columbia, this 21st day of January, 1991.

BY ORDER



W.M. Swanson, Q.C.
Commissioner