

LAWSON LUNDELL

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October 21, 2003

DELIVERED

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B.C. Utilities Commission
6th Floor, 900 Howe Street
Box 250
Vancouver, B.C.
V6Z 2N3

Attention: Robert J. Pellatt, Commission Secretary

Dear Mr. Pellatt:

Re: BC Hydro Energy Supply Contract Filing

Pursuant to section 71 of the *Utilities Commission Act* (the Act) and the Commission's Rules regarding Electricity Supply Contracts (the Rules), BC Hydro is pleased to file for approval the following electricity purchase agreements (the Agreements):

1. Eagle Lake C2 Micro Hydro / Pacific Cascade Hydro Inc.
2. Vancouver Landfill Gas Utilization / Maxim Power Corp
3. Raging River Small Hydro / Raging River Power and Mining Inc.
4. Pingston Creek / Canadian Hydro Developers Inc. & Pingston Creek LP
5. Armstrong Wood Waste Co-Gen / RFP Power
6. SEEGEN (Burnaby Incinerator) / Monteray Inc.
7. Hartland Landfill / Maxim Power Corp
8. Brandywine Creek Small Hydro / Rockford Energy Corp.
9. Furry Creek / Furry Creek Power Ltd.

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With the exception of item #2, the Vancouver Landfill Gas Utilization agreement, BC Hydro is also filing the Agreements on behalf of the counterparties to them. Regarding item #2, BC Hydro is advised that that agreement has already been filed with the Commission.

Information regarding the Agreements required by paragraph 1.4 of the Rules is attached as Appendix A to this letter.

The Agreements were entered into in good faith before or shortly after May 29, 2003. It was on that date that the Act was amended to, among other things, broaden the definition of "energy supply contract". The effect of the amendment was to bring within the scope of section 71 of the Act contracts which previously were beyond its purview, and to oblige parties to those contracts to file them with the Commission, including the Agreements filed with this letter.

Additionally, deliveries of energy have commenced under 6 of the Agreements, and are imminent under the remainder of the Agreements. Counterparties to the Agreements have in each case already committed funds and resources necessary to meet their contractual obligations.

BC Hydro notes that both section 71 generally and paragraphs 1.3 and 1.6 of the Rules specifically allow for energy supply contracts to be filed and approved without a hearing. Paragraph 1.6 of the Rules states that "It is the Commission's intention to avoid retroactive Orders". In these circumstances, BC Hydro and the counterparties on whose behalf it is filing believe that a hearing enquiring further into whether the Agreements are in the public interest would be inappropriate, and that the Agreements ought to be accepted and approved as filed forthwith. BC Hydro intends to provide information regarding the reasonableness of the pricing provisions of the Agreements in its upcoming revenue requirement hearing.

BC Hydro has entered into other agreements both prior to and since May 19 that are also "energy supply contracts", but under which sales of electricity are not anticipated to occur for some time. BC Hydro will file those agreements with the Commission sufficiently in advance of the commencement of sales under them in accordance with paragraph 1.1.2 of the Rules.

Finally, BC Hydro notes that the Agreements all contain confidentiality provisions. Given that BC Hydro will in general no longer be developing its own resources but instead will be acquiring new energy supplies from independent power producers, it is evident that maintaining the confidentiality of the Agreements is necessary to allow BC Hydro to continue to negotiate the most favourable terms and conditions. Moreover, the counterparties to the Agreements are also desirous of keeping their respective contracts

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confidential. Accordingly, BC Hydro requests, pursuant to section 1.9 of the Rules, that the Agreements and Appendix A be kept confidential.

Yours very truly,

LAWSON LUNDELL

A handwritten signature in black ink, appearing to read "Jeff Christian", written over the printed name.

Jeff Christian

JC/sal

Enc.

cc. Counterparties to Agreements, w/out Appendix A or enclosures
Client, w/Appendix A and enclosures



ROBERT J. PELLATT
COMMISSION SECRETARY
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Log No. 4300

VIA FACSIMILE

December 24, 2003

Mr. Richard Stout
Chief Regulatory Officer
British Columbia Hydro and Power Authority
17th Floor, 333 Dunsmuir Street
Vancouver, B.C. V6B 5R3

Dear Mr. Stout:

Re: British Columbia Hydro and Power Authority
Energy Supply Contract Filing

This is in response to B.C. Hydro's filing through Lawson Lundell of October 21, 2003. Attached is Order No. E-10-03 accepting the nine Contracts listed in that letter as filed as energy supply contracts pursuant to Section 71 of the Utilities Commission Act. In addition, the Commission requires that B.C. Hydro to provide a copy of this Order and the Lawson Lundell application letter of October 21, 2003 to all interested parties and registered intervenors to the B.C. Hydro Revenue Requirements public hearing process.

Yours truly,

Robert J. Pellatt

RWR/ac
Attachment

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER E-10-03**



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

and

**An Application by British Columbia Hydro and Power Authority (BC Hydro)
for Approval of**

**Electricity Purchase Agreements between BC Hydro and;
Pacific Cascade Hydro, Maxim Power Corp. (for Vancouver Landfill Gas Utilization project and for Hartland
Landfill project), Raging River Power and Mining Inc., Canadian Hydro Developers Inc. & Pingston Creek LP,
RFP Power Ltd., Montenay Inc., Rockford Energy Corp., and Furry Creek Power Ltd.**

BEFORE: R.H. Hobbs, Chair)
L.A. Boychuk, Commissioner) December 18, 2003
L.F. Kelsey, Commissioner)

O R D E R

WHEREAS:

- A. Pursuant to Section 71 of the Utilities Commission Act, BC Hydro filed Electricity Purchase Agreements with the Commission on October 21, 2003, for the supply of electricity with the following companies:
- Pacific Cascade Hydro, for electricity from Eagle Lake C2 Micro Hydro Project;
 - Maxim Power Corp., for electricity from Vancouver Landfill Gas Utilization project and from the Hartland Landfill project;
 - Raging River Power and Mining Inc., for electricity from Raging River small hydro project;
 - Canadian Hydro Developers Inc. & Pingston Creek LP, for electricity from Pingston Creek project;
 - RFP Power Ltd., for electricity from the Armstrong Wood Waste Cogeneration project;
 - Montenay Inc., for electricity from the Seegen Burnaby Incinerator project;
 - Rockford Energy Corp., for electricity from the Brandy Wine Creek small hydro project; and
 - Furry Creek Power Ltd., for electricity from the Furry Creek small hydro project, collectively the "Agreements"; and
- B. The Agreements have been negotiated with the companies pursuant to BC Hydro's August 24, 2001, request for proposals for projects under 40 MWs, a 2001 request for proposals for green energy over 40 MWs, and a call for tenders on September 6, 2002 for customer based generation; and
- C. BC Hydro advises that the Agreements were entered into in good faith before or shortly after May 29, 2003, when the definition of "energy supply contract" was amended in the Utilities Commission Act; and

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER E-10-03

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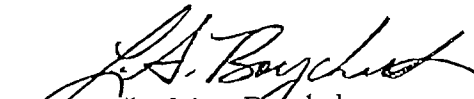
- D. BC Hydro has requested that for competitive reasons the Commission keep the Agreements confidential; and
E. The Commission has considered the Agreements and has considered the execution dates of the Agreements in the context of the changes to the Utilities Commission Act and the request of BC Hydro.

NOW THEREFORE the Commission orders as follows:

1. The Agreements are accepted as filed as energy supply contracts pursuant to Section 71 of the Utilities Commission Act.
2. The Commission will hold the Agreements confidential at this time.

DATED at the City of Vancouver, in the Province of British Columbia, this *24th* day of December 2003.

BY ORDER


Lori Ann Boychuk
Commissioner