

December 9, 2004

File: 76975-35/Clayton, 0234965 & 5000259

Pun Chu Non-Integrated Area Manager BC Hydro 11th Floor – 6911 Southpoint Dr Burnaby BC V3N 4X8

Dear Mr. Chu:

Re: Substitution Water Licences and Order for the Clayton Falls Generating Station

Please find enclosed substitution water licences for the Clayton Falls Generating Station and an order directing the implementation of the operating parameters and procedures of the Clayton Falls Water Use Plan.

Final water licences 120776 and 120177 have been issued in substitution of conditional water licences 26270 and 72838. The final water licences have been issued to recognize the fulfillment of the conditions of the original licences and to clarify granted rights. No new rights have been granted by the issuance of these substitution water licences.

The draft Water Use Plan and operating order were referred to agencies, the Nuxalk First Nation and water use planning participants. After considering the input which I received, I have decided to accept the Water Use Plan, with a revised date of November 22, 2004, and order the implementation of the operating and monitoring parameters and procedures of the plan.

The licensee shall undertake the review and revision of the Water Use Plan as directed by the Comptroller of Water Rights if it is shown that the expected benefits from operating in accordance with the enclosed order are not being provided or if new issues arise. The direction to review may occur in accordance with the review period set out in the Water Use Plan, if the triggers noted in the plan occur or at any time deemed appropriate by the Comptroller of Water Rights.

A right of appeal from my decision lies to the Environmental Appeal Board. Notice of any appeal must (1) be in writing, (2) include grounds for the appeal, (3) be directed by

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Mr. Chu Page 2

registered mail to the Chair, Environmental Appeal Boar, P.O. Box 9425 Stn Prov Govt, V8W 9V1, or personally delivered to the office of the Board at 4th floor, 747 Fort Street in Victoria, B.C., V8W 3E9 (4) be delivered within 30 days of receiving this letter and (5) be accompanied by a fee of \$25.00, payable to the Minister of Finance.

Yours truly,

Pieter J. Bekker

Deputy Comptroller of Water Rights

Enclosures

pc: VGraeme Matthews, BC Hydro

Nancy Wilkin, Ministry of Water, Land and Air Protection

Ken Woo, Fisheries and Oceans Canada

Chief and Council, Nuxalk Nation-

Bob Titscheler

Daryl Fritz, Bella Coola Harbour Authority

John Willis, Snootli Creek Hatchery

Barry Layton, Central Coast Regional District

Ray Kenny, Ministry of Sustainable Resource Management

Paul Wieringa, Ministry of Energy and Mines



Province of British Columbia Water Act

Order Section 88

File Nos.: 0234965 and 5000259

WHEREAS, British Columbia Hydro and Power Authority (BC Hydro) is the holder of Final Water Licences 120176 and 120177 which authorize the diversion and use of water for power purpose and conservation purpose at the Clayton Falls Power Development;

WHEREAS, the works authorized by Final Water Licences 120176 and 120177 at the Clayton Falls Power Development include: for power purpose a dam (PD40178), a penstock, a surge tank, powerhouse, and tailrace; and for conservation purpose a diversion structure (PD63362) and pipeline conveying water to the tailrace;

WHEREAS, the operation of the works can also benefit the viability of fish and fish habitat in the headpond, lower Clayton Falls Creek and the tailrace and BC Hydro has engaged in public consultation to determine values for system parameters and to develop operating procedures that may provide those fisheries benefits;

WHEREAS, the licensee has submitted a Water Use Plan, which recommends changes to the operation of Clayton Falls Power Development which are intended to provide specific benefits for: fish in lower Clayton Falls Creek; fish in the headpond; and fish in the tailrace;

WHEREAS, I have accepted the Water Use Plan for the Clayton Falls Power Development, dated November 22, 2004; and

WHEREAS, BC Hydro has proposed a monitoring program to determine if operating the works in accordance with the operating parameters and procedures in the Clayton Falls Water Use Plan will provide the above listed expected benefits;

I HEREBY ORDER THAT:

- 1. The works authorized under Final Water Licences 120176 and 120177 must be operated as follows:
 - a. Commencing on April 1, 2006, a minimum flow of water of 0.05 cubic metres per second must be released from the dam at all times.
 - b. During maintenance and civil inspections of the dam, the headpond shall be drafted gradually over a two hour period.
 - c. If frazil or anchor ice is present within the tailrace, scheduled maintenance or shutdowns are not to proceed.

 d. If frazil or anchor ice forms in the tailrace during unit shutdown, flow to the tailrace shall be increased via the fish bypass valve or by bringing the

generator online.

e. The intake for the conservation works at PD63362 is to be shut off at all times except during periods when flow from PD40178 to the tailraces is reduced due to annual maintenance and penstock dewatering, or when other conditions exist which would result in a tailrace flow of less than 0.08 cubic metres per second.

2. The licensee must evaluate the effectiveness of operations in accordance with the parameters and procedures ordered in 1 above by undertaking an aquatic ecosystem productivity monitoring program as set out below:

a. The licensee shall, within four months of the date of this order, develop and submit for approval terms of reference for a four year monitoring program based on Appendix F of the Clayton Falls Water Use Plan Report

of the Consultative Committee, dated July 2003; and

b. On approval in writing by the Comptroller of Water Rights of the terms of reference for the monitoring program, BC Hydro shall implement the monitoring program and submit information to the Comptroller in accordance with the terms of reference.

- 3. Before September 1, 2005, the licensee shall submit plans for a measuring device that is suitable for measuring the minimum flow of 0.05 cubic metres per second which is to be released from the dam on Clayton Falls Creek at PD40178 in accordance with 1 above.
- 4. On approval in writing of the plans submitted in accordance with 3 above and receiving leave to commence construction, alter the Dam on Clayton Falls Creek to include the measuring device as approved.
- 5. The licensee may operate the works in an alternate manner in the event of an emergency, a dam safety requirement, or an extreme hydrological event.
- 6. All emergency operations, or other deviations from those ordered in 1 above be reported to the Comptroller of Water Rights in a timely manner.

Dated at Victoria this 4th day of December, 2004.

Pieter J. Bekker

Deputy Comptroller of Water Rights



Province of British Columbia Water Act

Final Water Licence

BC Hydro and Power Authority is hereby authorized to divert and use water as follows:

- a) The stream on which the rights are granted is Clayton Falls Creek.
- b) The point of diversion is located at point PD40178 as shown on the attached plan.
- c) The date from which this licence shall have precedence is February 6, 1961.
- d) The purpose for which this licence is issued is power, which is to be generated at the Clayton Falls Generating Station.
- e) The maximum quantity of water which may be diverted and used under this licence is 1.33 cubic metres per second.
- f) The period of the year during which the water may be diverted and used is the whole year.
- g) This licence is appurtenant to the power undertaking of the licensee and the land upon which the water is to be used, which is Lot 1 of District Lot 4, Range 3, Coast District, Plan 15223, on which a powerhouse is situated.
- h) The works authorized at the Clayton Falls Generating Station are a dam, penstock, surge tank, powerhouse and tailrace.
- i) This licence is issued in substitution of Conditional Water Licence 26270.

Pieter J. Bekker

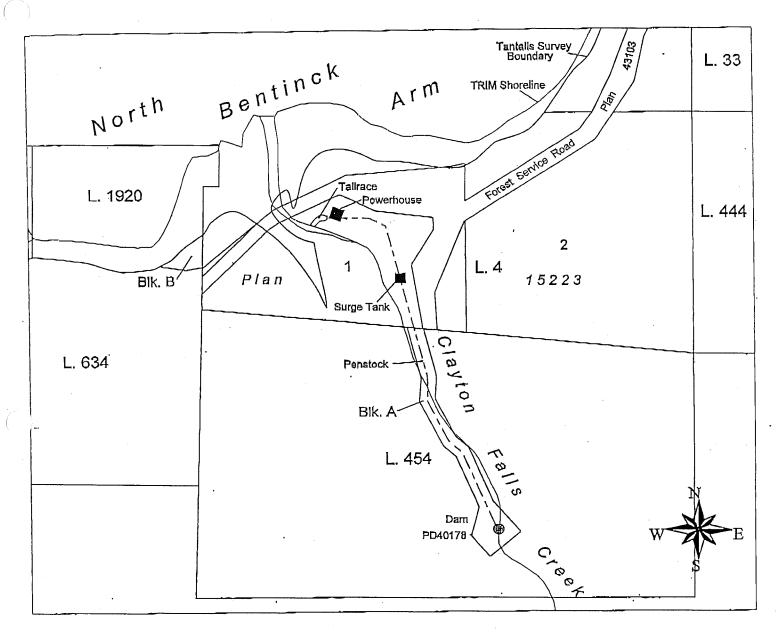
Pieter J. Bekker
Deputy Comptroller of Water Rights

File: 0234965

Dated: 12/09/04

Final Water Licence: 120176





WATER DISTRICT:

PRECINCT:

LAND DISTRICT:

CARIBOO ·

BELLA COOLA

RANGE 3, COAST DISTRICT

Signature:

Date:

12/09/04

LEGEND:

Scale:

1:6,000

Point of Diversion:

Map Number:

® WR 93D.036

F.L. 120176 for C.L. 26270

File 0234965

Pipe:



Province of British Columbia Water Act

Final Water Licence

BC Hydro and Power Authority is hereby authorized to divert and use water as follows:

- a) The stream on which the rights are granted is Clayton Falls Creek.
- b) The points of diversion are located at point PD40178 and PD63362 as shown on the attached plan.
- c) The date from which this licence shall have precedence is June 7, 1990.
- d) The purposes for which this licence is issued are power, which is to be generated at the Clayton Falls Generating Station, and conservation.
- e) The maximum quantity of water which may be diverted is:
 - i. 2.50 cubic metres per second for power purpose at PD40178; and
 - ii. 0.08 cubic metres per second for conservation purpose at PD63362.
- f) Water may be diverted for power purpose and conservation purpose throughout the whole year.
- g) This licence is appurtenant to the power undertaking and the conservation project of the licensee and the land upon which the water is to be used, which is Lot 1 of District Lot 4, Range 3, Coast District, Plan 15223, on which a powerhouse and conservation works are situated.
- h) The works authorized at the Clayton Falls Generating Station are a dam (PD40178), a penstock, a surge tank, powerhouse and tailrace. Conservation works consisting of a diversion structure (PD63362) and pipeline conveying water to the tailrace are also authorized.
- i) A minimum flow of water of 0.08 cubic metres per second must be provided to the tailrace at all times.
- i) This licence is issued in substitution of Conditional Water Licence 72838.

Pieter J. Bekker

Deputy Comptroller of Water Rights

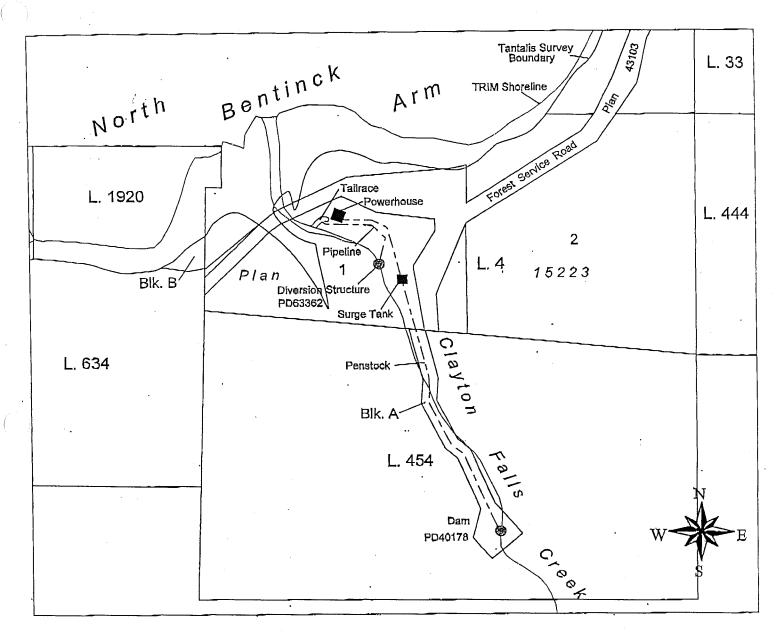
File: 5000259

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Final Water Licence: 120177





WATER DISTRICT:

PRECINCT:

LAND DISTRICT:

CARIBOO

BELLA COOLA

RANGE 3, COAST DISTRICT

Signature:

Date:

12/09/04

LEGEND:

Scale:

Point of Diversion:

Map Number:

Pipe:

1:6,000

WR 93D.036

F.L. 120177 for C.L. 72838

File 5000259