



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-69-09

SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. V6Z 2N3 CANADA  
web site: <http://www.bcuc.com>

TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
FACSIMILE: (604) 660-1102

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 the Approval of the 2008 Long-Term Acquisition Plan ("2008 LTAP")  
Expenditure Request for Mica Units 5 and 6

**BEFORE:** A.J. Pullman, Panel Chair/Commissioner  
M.R. Harle, Commissioner  
R.J. Milbourne, Commissioner June 8, 2009

**O R D E R**

**WHEREAS:**

- A. On June 12, 2008 BC Hydro filed, pursuant to subsections 44.1(2), 44.1(4) and 44.2(1) of the *Utilities Commission Act* ("UCA", the "Act"), the 2008 LTAP with the British Columbia Utilities Commission ("BCUC", the "Commission") for review; and
- B. The 2008 LTAP (Exhibit B-1) is a ten-year plan for acquiring demand-side and supply-side resources to meet demand in British Columbia. The 2008 LTAP both updates and expands the 2006 Integrated Electricity Plan/LTAP, which was the subject of Order G-20-07 ("2006 IEP/LTAP Decision"); and
- C. The 2008 LTAP reflects BC Hydro's commitment to examine the effects of the British Columbia Government's updated energy policy, "The BC Energy Plan: A Vision for Clean Energy Leadership", and the relevant issues in the 2006 IEP/LTAP Decision; and
- D. BC Hydro seeks an Order which, pursuant to subsection 44.1(6)(a) of the Act, states that the 2008 LTAP is in the public interest and, pursuant to subsection 44.2(3)(a) of the Act, determines that expenditures related to the programs and projects listed in Section 1.1.2 of the Application are in the public interest; and
- E. Specifically, BC Hydro seeks an Order that an expenditure of \$30 million in F2009, F2010 and F2011 to undertake and complete the Definition phase work for Mica Units 5 and 6 is in the public interest; and
- F. At the September 9, 2008 Procedural Conference established by Commission Order G-96-08 (Exhibit A-1), the Commission Panel heard, among others, submissions on BC Hydro's proposal to close the evidentiary phase for the Mica Units 5 and 6 following the second round of Information Requests. Not all parties spoke to all issues, but all parties either supported BC Hydro's submissions, took no position on the submissions of BC Hydro, or did not oppose the BC Hydro position on the various matters; and

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-69-09

2

- G. The Commission Panel issued Order G-126-08 dated September 8, 2008 (Exhibit A-4) and ordered, among others, that the evidentiary phase for the Mica Units 5 and 6 Definition phase expenditures request closes on October 15, 2008 and final argument on those expenditures would form part of the Final Arguments following the close of the evidentiary phase of the Oral Public Hearing which was at that time scheduled to commence on January 8, 2009; and
- H. A Second Procedural Conference was set as a result of a proposed amendment of the Hearing schedule by BC Hydro's letter to the Commission dated November 14, 2008 (Exhibit B-5). In a follow-up letter from BC Hydro dated November 19, 2008 (Exhibit B-6), BC Hydro requested that the Commission issue early orders with respect to the Mica Units 5 and 6 Definition phase expenditure request and with respect to the Fort Nelson Generating Station Upgrade Project ("FNGU") Definition and Implementation phase expenditures request; and
- I. At the Second Procedural Conference on November 28, 2008, all Parties spoke to, among others, the possibility of moving the FNGU to a separate hearing, a separate Argument phase for Mica Units 5 and 6 and separate orders and decisions for these two matters; and
- J. Commission Order G-178-08 dated November 28, 2008 (Exhibit A-12) amended the regulatory timetable and established that the Oral Public Hearing would commence on February 19, 2009. The Order also established that the Mica Units 5 and 6 Definition phase expenditure request will be dealt with as part of the main 2008 LTAP argument phase and the FNGU Definition and Implementation phase expenditures request will remain part of the 2008 LTAP evidentiary and argument phases; and
- K. The Oral Hearing commenced on February 19, 2009 and ended on March 12, 2009. BC Hydro filed its Final Argument on April 9, 2009; Intervenor filed their Arguments on April 27, 2009; and BC Hydro filed its Reply Argument on May 13, 2009. The Oral Phase of Argument took place on June 1, 2009. In Reply Argument, BC Hydro submitted that the Mica Units 5 and 6 Definition phase expenditure request is supported by the British Columbia Old Age Pensioners Organization *et al.*, British Columbia Sustainable Energy Association, Commercial Energy Consumers of British Columbia and Joint Industry Electricity Steering Committee, and is not opposed by any Intervenor; and
- L. The Commission Panel has reviewed the evidence on the \$30 million expenditure request with respect to the Definition phase work on Mica Units 5 and 6 and the submissions by BC Hydro and Intervenor.

**NOW THEREFORE** the Commission determines that the \$30 million expenditure in F2009, F2010 and F2011 to undertake and complete the Definition phase work for Mica Units 5 and 6 is in the public interest.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 8<sup>th</sup> day of June 2009.

BY ORDER

*Original signed by:*

Anthony J. Pullman  
Panel Chair/Commissioner

An Application by British Columbia Hydro and Power Authority  
for the Approval of the 2008 Long-Term Acquisition Plan ("2008 LTAP")  
Expenditure Request for Mica Units 5 and 6

**REASONS FOR DECISION**

---

Expenditures in F2009, F2010 and F2011 for Mica Units 5 and 6

British Columbia Hydro and Power Authority ("BC Hydro") requests an Order determining that pursuant to subsection 44.2 (3)(a) of the *Utilities Commission Act* (the "Act") that expenditures of \$30.0 million in F2009, F2010 and F2011 to undertake and complete the Definition phase work for Mica Units 5 and 6 are in the public interest.

BC Hydro submits that both Mica Units are relied upon in its Contingency Resource Plans with in-service dates of F2014 and F2016 for Mica Unit 5 and Mica Unit 6, respectively.

BC Hydro provides a breakdown of the expenditures (Exhibit B-1, Table 6-10) and of their timing (Exhibit B-4, BCUC 2.212.1). The expenditures include 9.5 million for First Nations consultation, Stakeholder Engagement and Regulatory approvals.

BC Hydro states that carrying out the Definition work for both Units together is appropriate because the First Nations consultation and environmental review process will need to consider the cumulative impacts and issues associated with both Units.

BC Hydro states that the Definition phase commenced in May 2008 and estimates that it will continue through June 2010 when it anticipates receiving an Environmental Assessment Certificate and an expenditure determination from the British Columbia Utilities Commission.

BC Hydro notes that the BC Old Age Pensioners' Organization *et al.*, BC Sustainable Energy Association *et al.*, Commercial Energy Consumers Association of BC and the Joint Industry Electricity Steering Committee support BC Hydro's request for these expenditures and no Intervenor opposes the request (BC Hydro Reply, p. 4).

**COMMISSION DETERMINATION**

The Commission Panel accepts BC Hydro's evidence and argument that the expenditures are required to meet an in-service date for Mica Unit 5 of potentially as early as F2014. Accordingly, the Commission Panel finds that BC Hydro's request that expenditures of \$30.0 million in F2009, F2010 and F2011 to undertake and complete the Definition phase work for Mica Units 5 and 6 are in the public interest.