

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-196-15**

TELEPHONE: (604) 660-4700
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SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
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**IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473**

and

**Tolko Industries Ltd.
An Exemption pursuant to section 88(3) of the *Utilities Commission Act***

BEFORE: L. F. Kelsey, Commissioner
H. G. Harowitz, Commissioner
K. A. Keilty, Commissioner
D. M. Morton, Commissioner
December 10, 2015

O R D E R

WHEREAS:

- A. On March 31, 2015, Tolko Industries Ltd. (Tolko) filed an application for exemption from Part 3 of the *Utilities Commission Act* (Act) in relation to Tolko's proposed supply of electricity from its Lavington substation to Lavington Pellet Limited Partnership (LPLP) at a new wood pellet manufacturing facility adjacent to Tolko's Lavington sawmill (Application);
- B. Tolko also filed an energy supply contract (Services Agreement) between Tolko and Lavington Pellet Inc. in its capacity as general partner of LPLP for acceptance, but does not seek an exemption from section 71 of the Act. Tolko requests that the contract be treated as confidential;
- C. On April 16, 2015, the British Columbia Utilities Commission (Commission) issued Order G-59-15 establishing a regulatory timetable for the review of the Application;
- D. The Commission considered the Application and is satisfied that an order, under section 88(3) of the Act, exempting Tolko and its equipment at the Lavington substation used to service LPLP's point of delivery from the requirements under Part 3 of the Act, except for sections 25, 38, 42 and 43, properly conserves the public interest; and
- E. By Order in Council No. 731 dated November 25, 2015, the Lieutenant Governor in Council granted advance approval to the Commission to exempt Tolko from the requirements of Part 3 of the Act, except for certain sections (as noted above), for the purpose of and subject to the terms set out in the draft Commission order attached to the order in council.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-196-15

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NOW THEREFORE the British Columbia Utilities Commission orders as follows:

1. Pursuant to section 88(3) of the *Utilities Commission Act*, the Commission, having been granted advance approval by the Lieutenant Governor In Council, effective the date of this order:
 - a. Exempts Tolko Industries Ltd. (Tolko) and the portion of its Lavington substation distribution facilities used to supply electric service to Lavington Pellet Limited Partnership from the requirements of Part 3 of the *Utilities Commission Act* except for sections 25, 38, 42, and 43.
 - b. The exemption is subject to the conditions contained in directive 2.
2. The exemption, granted pursuant to this order, shall remain in effect until further order of the Commission for reasons that may include the determination of any complaint the Commission receives from a person whose interests are affected.
3. The Tolko Services Agreement, filed as Appendix A of the Application, is accepted pursuant to section 71 of the *Utilities Commission Act* and will be held confidential due to its commercially sensitive nature.
4. Pursuant to section 38, Tolko shall construct, operate and maintain its facilities referred to in directive 1 to ensure safe, reliable and adequate service.
5. Pursuant to section 117(2) of the *Utilities Commission Act*, the Commission orders that the costs of the Commission, incidental to this proceeding and any future proceeding before it related to this exemption, are to be paid by Tolko in such amounts and proportions as the Commission may determine.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of December 2015.

BY ORDER

Original signed by:

D. M. Morton
Commissioner

Attachment

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 731, Approved and Ordered November 25, 2015


Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that approval is given to the British Columbia Utilities Commission to grant the exemption set out in provision 1, subject to the condition set out in provision 2, of the attached draft order of the British Columbia Utilities Commission.


Attorney General and Minister of Justice


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: Utilities Commission Act, R.S.B.C. 1996, c. 473, s. 88 (3)

Other: _____

June 5, 2015

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- D. The Commission considered the Application and is satisfied that an order, under section 88(3) of the Act, exempting Tolko and its equipment at the Lavington substation used to service LPLP's point of delivery from the requirements under Part 3 of the Act, except for sections 25, 38, 42 and 43, properly conserves the public interest; and
- E. By Order in Council No. XXX dated XXX XX, 201X, the Lieutenant Governor in Council granted advance approval to the Commission to exempt Tolko from the requirements of Part 3 of the Act, except for certain sections (as noted above), for the purpose of and subject to the terms set out in the draft Commission order attached to the order in council.

NOW THEREFORE the British Columbia Utilities Commission orders as follows:

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 - b. The exemption is subject to the conditions contained in directive 2.
2. The exemption, granted pursuant to this order, shall remain in effect until further order of the Commission for reasons that may include the determination of any complaint the Commission receives from a person whose interests are affected.
3. The Tolko Services Agreement, filed as Appendix A of the Application, is accepted pursuant to section 71 of the *Utilities Commission Act* and will be held confidential due to its commercially sensitive nature.
4. Pursuant to section 38, Tolko shall construct, operate and maintain its facilities referred to in directive 1 to ensure safe, reliable and adequate service.
5. Pursuant to section 117(2) of the *Utilities Commission Act*, the Commission orders that the costs of the Commission, incidental to this proceeding and any future proceeding before it related to this exemption, are to be paid by Tolko in such amounts and proportions as the Commission may determine.

DATED at the City of Vancouver, in the Province of British Columbia, this day of MONTH/YEAR.

BY ORDER

XXXXXXXXXXXX
Commissioner

Attachment