



December 2007

File: 43265-30/General

Water Power Licensee

Dear Sir/Madam:

The Lieutenant Governor by an Order in Council No. 787 has approved November 22, 2007 changes to Water Regulation affecting the structure for calculating waterpower rentals.

On November 10, 2006, the BCUC issued Order G-143-06, which awarded BC Hydro a 1.54 percent rate increase effective July 1, 2006, and an additional 0.1 percent rate increase effective February 1, 2007.

Annual water licence rentals are set by the Water Regulation (*Water Act*), and the rates for both commercial and general power purposes are also indexed to the percentage of approved increases awarded by the BCUC to BC Hydro. These approved rate increases are then applied to the water licence rental rates for power commercial and general purposes in the next calendar year. The indexing factor for 2007 was 1.0646. As a result of Order G-143-06, the indexing factor for 2008 is 1.0657.


The enclosed table provides the new 2008 indexed rental rates for power commercial and general water licences. The water power rental rates for 2008 also will be published in the BC Gazette.

If you have any questions related to the rates, please contact Bala Balachandran, Section Head, Licensing, Management and Standards Branch at (250) 387-1156.

Yours truly,

Glen Davidson, P. Eng  
Deputy Comptroller of Water Rights

Enclosure

<b>Ministry of Environment</b>	Water Stewardship Division Management and Standards Branch	Mailing Address: PO Box 9340 Stn Prov Govt Victoria BC V8W 9M1 Telephone: 250-387-6949 Facsimile: 250-356-0605	Location: 3 <sup>rd</sup> Floor, 395 Waterfront Cres Victoria BC V8T 5K7 Website: <a href="http://www.gov.bc.ca/env">www.gov.bc.ca/env</a> 
--------------------------------	---	--	--

**Rental Rates, With Indexing Applied, For Power Commercial and General  
Purpose in Calendar Year 2008**

(a) Commercial Power Use:

Construction capacity, for each kilowatt	\$0.294
Authorized capacity, other than construction capacity, for each kilowatt	\$1.839
Output, for each megawatt-hour	\$1.104
Minimum annual rental for each licence	\$100.00

(b) General power use:

Construction capacity, for each kilowatt	\$0.368
Authorized capacity, other than construction capacity, for each kilowatt	\$3.680
Output, for each megawatt-hour a year, up to a total of 160,000 megawatt-hours from all power developments operated by the same licensee	\$1.104
Output, for each additional megawatt-hour a year exceeding 160,000 megawatt-hours up to a total of 3,000,000 megawatt-hours	\$5.153
Output, for each additional megawatt-hour a year exceeding 3,000,000 megawatt-hours	\$6.197
Minimum annual rental for each licence	\$200.00