

Water crisis forces Hydro to buy power

Meeting domestic needs costs company \$70 million

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Sun Business Reporter

An unprecedented water shortage has hit B.C. Hydro, forcing the province to turn to the U.S. and Alberta to keep the lights on at home.

For the first time since B.C. built hydro-electric megaprojects on the Columbia and Peace Rivers in the 1960s, the province is now a net importer of energy, B.C. Hydro official Peter McMullan said Wednesday.

To meet domestic needs for electricity, Hydro has spent \$70 million on energy purchases, forgoing an additional \$90 million in export revenues. The Crown corporation has also boosted to capacity its gas-fired Burrard thermal plant in Port Moody.

The water shortage will not lead to increased Hydro rates for consumers, McMullan said, but it will mean a decline in revenues for the Crown corporation.

In turn, he said, Hydro will be turning over less money to provincial coffers.

This is the second year in a row B.C. has faced low-winter snowpacks.

And before the current crisis is over, people in the reservoir-dependent community of Mackenzie say they face economic shut-down as water stored in Williston Lake is converted to energy.

Already, communities along the Columbia-Kootenay system such

as Fernie have lost tourism revenues because snowpacks were below normal. Tourist operator Bob Cutts said a coalition of citizens filed an injunction in a U.S. court to slow U.S. demand on the border-straddling Kooecanus reservoir.

Cutts said he cannot understand why B.C. Hydro should now be buying power from the U.S.

"It's crazy. We destroyed a valley 45 miles long here to store water. And we are having to buy energy?"

To meet this year's energy load, Hydro is importing natural gas from Alberta for its thermal generator and is buying electricity from U.S. generators on the Columbia River. Ironically, the U.S. reservoirs — fed by Canada — are closer to full than those in Canada.

In Mackenzie, residents feel victimized by Hydro and the government. They say the province ignored the pending crisis until it was too late.

"We are the tip of the iceberg," said Rick Berry, a pulp machine operator at Mackenzie. Berry faces an indefinite layoff next-year when the water level is expected to drop below pipelines connecting Fletcher Challenge Canada's pulp mill and the reservoir.

"Hydro has run out of capabilities to keep us alive."

Berry and other Mackenzie resi-

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We all groan about the weather ... it's too hot, too cold and — lately — too wet. Staff writer Nicole Parton put on her rubber boots and raincoat to find out if summer on the Wet Coast has been cancelled or just postponed. The soggy details — and more from this lonely lifeguard — plus the long-weekend forecast, A3



RALPH BOWER/Vancouver Sun

Derails BC Rail talks



The government-owned railway has been struck by its 1,600 employees since July 19, when talks broke off mainly over the issue of wages and benefits.

The company's final offer was a 42-month contract that had a two-per-cent wage increase in each of the three years and one per cent in the final six months.

The seven unions' final request

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dents have formed a committee to bring the issue before government and the public, saying electricity demand may have outstripped supply well into the future.

They fear power supply problems will continue until Alcan's Kemano II project is completed or downstream benefits from the Columbia River Treaty revert to Canada.

The Alcan project is delayed partly over a company demand for an additional \$300 million for its power. And the Columbia River Treaty remains in effect until 1998. That could leave the province with an energy shortage for another five years, Berry said.

McMullan said the shortage is weather-induced and will remain only as long as the winter snowfall patterns hold. In the 1940s, the last time such a pattern was observed, it lasted four years, he said.

Although this summer has been wet, Hydro relies on snowpacks to fill its reservoirs.

Last winter, snowfall was near the 50-year low in the Williston Basin, northeast of Prince George. The energy lost was equivalent to the annual residential needs of half a million people, according to Hydro.

Next April, the Williston Lake reservoir is expected to drop too low to operate the Mackenzie pulp mill. To compensate, regional forest companies are negotiating a \$20-million cost-sharing agreement with the province for a temporary pipeline extension to keep the mill in water and 2,000 workers employed.

The water level in the Williston reservoir is currently 668.9 metres above sea level, 3.3 metres below full pool. But Hydro forecasts it will drop to 651.6 metres, its lowest level ever, by next April. The pulp mill's intake and effluent pipes are at 2.5 metres above that level.

Complicating the issue is the low level of the Columbia River reservoirs. They are now 18.6 metres below full pool and Williston is soon to be drawn down to compensate.

Hydro's position is that Mackenzie forest industries did not take reasonable precautions against low water levels by extending their pipes farther into the reservoir. As recently as 1987, the government offered to pay for 50 per cent of the cost of extensions.

Mackenzie pet store owner Bruce Bennett said that, regardless of who's to blame, the town's economic future has been put on hold because industry relies on water stored in the reservoir. With that resource threatened, business will not invest in Mackenzie, he said.

"If the current demand for electricity far exceeds our capacity to produce, why were other energy-generating facilities not developed?" he asked. "Why should the well-being of Mackenzie be risked as a result of B.C. Hydro's management practices?"

Said Berry: "Everything to do with power has been stalled. And now we are stuck."

Moe Sihota, minister responsible for Hydro, was not available for comment.

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