

Tracking Federal Regulatory Initiatives

Regulatory Affairs

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Circulate to:	HIGHLIGHTS
1.	<p>Exempt from Pre-Publication and Approved</p> <p>Issuance of licence to TransAlta to divert and use waters of Bow River from two falls for power generation authorized. 1-2</p>
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4.	
5.	

Exempt from Pre-Publication and Approved

Statutory Authority & Regulatory Plan Listing

Kanaskis Falls and Horseshoe Falls Water Power Regulations (SOR/97-473, OIC 1997-1486)

Dominion Water Power Act, section 15

The regulations authorize the Minister of Indian Affairs and Northern Development to issue and approve water use licences for two hydroelectric operations of TransAlta Utilities Corporation (TransAlta) on the Bow River in Alberta, at Horseshoe Falls and at Kananaskis Falls, with some changes from the existing licences.

INAC/96-7-L

The licences for Horseshoe Falls and Kananaskis Falls issued under the Act expire in October 1997 and October 1998, respectively. In June, 1993, TransAlta applied for an extension of rights on both hydro facilities. The timing of these applications was in compliance with the Dominion Water Power Regulations. No changes to facilities or operations were proposed in these applications.

To be published in Canada Gazette October 29, 1997

The purpose of these special Regulations is to provide the legal authority to issue the licences with some changes from the last licences, and to confirm a revision of the conditions of the licences. The changes focus on improvements related to water rental fees, and updated decommissioning and compensation provisions.

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&
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The facility at Horseshoe Falls was built in 1909 on land surrendered from the Stoney Indian Reserve. Under the terms of the original licence, the federal Crown's water rentals are for the benefit of the Stoney Tribal Band. The Kananaskis Falls facility was built in 1914, partly on land surrendered from the Stoney Indian Reserve, and partly on provincial Crown land. The water rentals for this facility are shared between the federal and provincial Crowns on the basis of the proportion of flooded land, with the Stoney Tribal Band receiving the federal share.

Under the new licences, the Stoney Tribal Band will receive a substantial increase in annual water rentals. Currently the Band receives a fixed amount from both operations totalling \$18,000. The new licences will provide the Stoney Tribal Band with a guaranteed minimum annual total from both operations of \$76,000, but with an estimated probable annual total of \$85,000, depending on power generation. Alberta will see the fees it receives from its share of the Kananaskis Falls operation rise from \$5,000 to an estimated value around \$21,000.

In addition, a fixed period (every five years) for water rentals review has been introduced into the licences. This allows for the future revision of the fees as appropriate.

The new licence will also contain conditions that pertain to decommissioning of the facilities and sites; the previous licences were silent on this.

The new licences will have terms of 30 years (Kananaskis Falls) and 31 years (Horseshoe Falls), which will bring both licences to a common expiry date.

The water rentals, which had not changed since 1956, will increase from \$23,000 to about \$106,000. These water rentals will be consistent with water rentals paid to the Alberta government by TransAlta from all other hydro facilities in the province. Contact: C. Cuddy Chief, Water Resources, Natural Resources and Environment Branch, Northern Affairs Program, Department of Indian Affairs and Northern Development, 10 Wellington Street, Ottawa, ON, K1A 0H4.

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Editor: Mary Ferguson

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Please send any questions or comments c/o the Editor, J-K Carruthers Ltd., R.R. #1, Perth, Ontario, K7H 3C3, Telephone (613) 267-3890, Fax (613) 267-6727. Visit our Web Pages at www.carruthers.com.