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VIA FACSIMILE / EMAIL

December 3, 2004

British Columbia Hydro and Power Authority
Call for Tenders for Capacity on Vancouver Island
Review of Electricity Purchase Agreement

Exhibit No. A-7

TO: British Columbia Hydro and Power Authority
Registered Intervenors

Re: British Columbia Hydro and Power Authority
Call for Tenders for Capacity on Vancouver Island
Review of Electricity Purchase Agreement

By Order No. G-99-04 dated November 9, 2004, the Commission scheduled a Procedural Conference for November 29, 2004 to consider procedural issues arising from the filing of the Report on the CFT Process ("the CFT Report"), together with the Electricity Purchase Agreement ("EPA") and VIGP Transfer Agreement, by BC Hydro on November 19, 2004. Further to the Procedural Conference that was held on November 29 and 30, 2004, Order No. G-106-04 that is enclosed with this letter sets out the Regulatory Agenda for the proceeding.

At the conclusion of the Procedural Conference, the Commission Panel determined that the Public Hearing and Town Hall Meeting would commence in Nanaimo on January 12, 2005. Unfortunately, suitable accommodation in Nanaimo could not be arranged and it has been necessary to make changes to the time and location for the Public Hearing and Town Hall Meeting.

The Town Hall Meeting will provide an opportunity to make presentations in Nanaimo to the Commission Panel on the EPA filing and the CFT Report. Each presentation will be limited to 10 minutes. Parties wishing to make a presentation to the Commission Panel should contact Mr. Gordon Fulton, Commission Counsel, at 604-687-6789 on or before January 11, 2005. A transcript will be produced for the Town Hall Meeting.

At the Procedural Conference, the Commission Panel identified the principal issue for the proceeding and the scope of the review. The Commission Panel's determination regarding the principal issue and the scope of the review can be found in the Transcript of the Procedural Conference at page 307 through 315, www.allwestbc.com/bcuc/BCUC_VICFT.html.

With regard to environmental issues, the Commission Panel notes that, while the Legislature has granted the Commission broad jurisdiction to consider energy supply contract filings under the Utilities Commission Act, that jurisdiction is not unlimited. While the Commission can consider environmental and social impacts, its authority to do so is limited to costs that are likely to emerge as unavoidable costs for utilities and their customers. Therefore, the discussion of environmental and social costs and benefits in this proceeding will concentrate on the financial impacts on BC Hydro and its ratepayers.

A deadline for the submission of budget estimates for participant assistance has been established and parties are asked to comply with the Commission's Participant Assurances/Cost Award Guidelines, based on an estimate of 10 proceeding days. It is anticipated that active participants who travel to Vancouver to attend the Pre-hearing Conference and the Public Hearing will be reimbursed for reasonable out-of-pocket expenses consistent with the Guidelines. Intervenors with common interests are encouraged to co-ordinate and combine their efforts in order to avoid repetition, streamline the hearing process and minimize costs.

Yours truly,

Original signed by:

Robert J. Pellatt

RHH/cms

cc: BC Hydro 2004-2006RR Intervenors
TGVI LNG CPCN-Resource Plan Intervenors
BCH-VIGP Intervenors

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-106-04

SIXTH FLOOR, 900 HOWE STREET, BOX 250
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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

A Filing by British Columbia Hydro and Power Authority
Call for Tenders for Capacity on Vancouver Island
Review of Electricity Purchase Agreement

BEFORE: R.H. Hobbs, Chair
M.P. Birch, Commissioner December 2, 2004
L.A. Boychuk, Commissioner

O R D E R

WHEREAS:

- A. In its Decision dated September 8, 2003 ("VIGP Decision"), the Commission concluded that Vancouver Island Energy Corporation (a wholly-owned subsidiary of British Columbia Hydro and Power Authority ("BC Hydro")) had not established that the Vancouver Island Generation Project ("VIGP") is the most cost-effective means to reliably meet Vancouver Island power needs and encouraged BC Hydro to proceed with a Call for Tenders for Vancouver Island (the "CFT"); and
- B. By letter dated January 23, 2004, the Commission commented on certain CFT issues, and encouraged BC Hydro to proceed with the CFT; and
- C. The January 23, 2004 letter also referred to the statement in the VIGP Decision that the Commission is prepared to consider the Electricity Purchase Agreement ("EPA") from the CFT on an expedited basis, and stated that approval of the project(s) selected following the CFT process may require a further review of the CFT process and design; and
- D. By letter dated November 3, 2004, BC Hydro advised the Commission that Duke Point Power Limited Partnership ("Duke Point Power") is the successful proponent in the CFT process, and that it will file the EPA with Duke Point Power in accordance with Section 71 of the Utilities Commission Act; and

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- E. On November 19, 2004, BC Hydro submitted the EPA and VIGP Transfer Agreement with Duke Point Power and a Report on the CFT Process (“the CFT Report”); and
- F. Pursuant to Order No. G-99-04, on November 29 and 30, 2004, the Commission Panel held a Procedural Conference regarding an effective and efficient regulatory process for the review of BC Hydro’s EPA filing and CFT Report; and
- G. At the Procedural Conference on November 30, 2004, the Commission Panel made determinations regarding the scope of the proceeding and directed that a Public Hearing and Town Hall Meeting would commence in Nanaimo on January 12, 2005, providing suitable accommodation could be arranged; and
- H. Due to the restricted availability of suitable accommodations within the confined time schedule for the proceeding, it is necessary to make changes to the schedule and location for the Public Hearing and Town Hall Meeting.

NOW THEREFORE the Commission orders as follows:

1. The Public Hearing will commence at 8:30 a.m., on Tuesday, January 11, 2005 on the Third Floor, of 855 Homer Street in Vancouver. The Regulatory Agenda for the proceeding is set out in Appendix A to this Order and includes an opportunity to submit information requests to BC Hydro by Wednesday, December 8, 2004. BC Hydro will respond to the Information Requests by Friday, December 17, 2004.
2. Intervenors may file written evidence by Friday, December 24, 2004. Information Requests on the Intervenor Evidence will be submitted by Tuesday, January 4, 2005 and Intervenors will respond to the Information Requests by Tuesday, January 11, 2005.
3. The Pre-hearing Conference will commence at 8:30 a.m. on Wednesday, December 22, 2004 on the Fourth Floor, of 855 Homer Street in Vancouver.

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4. The Town Hall Meeting will commence at 9:30 a.m. on Saturday, January 15, 2005 in the Malaspina Room of the Coast Bastion Inn at 11 Bastion Street, Nanaimo, BC.
5. BC Hydro will publish, as soon as possible, in display-ad format, the Notice of Pre-hearing Conference, Public Hearing and Town Hall Meeting attached as Appendix B to this Order, in the Vancouver Sun and Province, the Victoria Times Colonist, and such local news publications as may properly provide adequate notice to the public in the vicinity of Nanaimo. BC Hydro will also use suitable radio announcements to notify the public in the Nanaimo area about the Town Hall Meeting.
6. The EPA filing and CFT Report, together with any supporting materials, will be made available for inspection at BC Hydro offices in Nanaimo and Victoria, at the BC Hydro Vancouver Head Office, and at the Commission's office.
7. BC Hydro is to provide a copy of the EPA filing and CFT Report and related materials, by facsimile or electronically if possible, to all Intervenors registered in this proceeding.
8. Participant Funding/Cost Award Budgets must be submitted to the Commission by Friday, December 17, 2004.

DATED at the City of Vancouver, in the Province of British Columbia, this 3rd day of December 2004.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachments (2)

**British Columbia Hydro and Power Authority
Call for Tenders for Capacity on Vancouver Island
Review of Electricity Purchase Agreement**

REGULATORY AGENDA

	DATE
Information Requests to BC Hydro	Wednesday, December 8, 2004
BC Hydro Responses to Information Requests	Friday, December 17, 2004
Filing of Participant Funding/Cost Award Budgets	Friday, December 17, 2004
Pre-Hearing Conference in Vancouver	Wednesday, December 22, 2004
Filing of Intervenor Written Evidence	Friday, December 24, 2004
Information Requests on Intervenor Written Evidence	Tuesday, January 4, 2005
Intervenor Responses to Information Requests	Tuesday, January 11, 2005
Public Hearing commences in Vancouver	Tuesday, January 11, 2005
Town Hall Meeting in Nanaimo	Saturday, January 15, 2005
Hearing resumes in Vancouver	Monday, January 17, 2005

**British Columbia Hydro and Power Authority
Call for Tenders for Capacity on Vancouver Island
Review of Electricity Purchase Agreement**

**NOTICE OF PRE-HEARING CONFERENCE,
PUBLIC HEARING AND TOWN HALL MEETING**

Pre-hearing Conference	Public Hearing	Town Hall Meeting
Date: December 22, 2004 Time: 8:30 a.m. Location: Fourth Floor Hearing Room 855 Homer Street Vancouver, BC	Date: Tuesday, January 11, 2005 Time: 8:30 a.m. Location: Third Floor : Hearing Room 855 Homer Street Vancouver, B.C.	Date: Saturday, January 15, 2005 Time: 9:30 a.m. Location: Malaspina Room Coast Bastion Inn 11 Bastion Street Nanaimo, BC V9R 6E4 Telephone: (250) 753-6601

THE ELECTRICITY PURCHASE AGREEMENT FILING

By letter dated November 3, 2004, BC Hydro advised the British Columbia Utilities Commission that Duke Point Power Limited Partnership (“Duke Point Power”) is the successful proponent in the Vancouver Island Call for Tenders (“CFT”) process. BC Hydro has offered Duke Point Power an Electricity Purchase Agreement (“EPA”) for 252 megawatts of capacity from a proposed gas-fired generation facility to be located near the Duke Point industrial area of Nanaimo, B.C. On November 19, 2004, BC Hydro filed the EPA with Duke Point Power, and a report on the CFT Process (“the CFT Report”) with the Commission.

THE REGULATORY PROCESS

In its Vancouver Island Generation Project Decision dated September 8, 2003, the Commission encouraged BC Hydro to proceed with the CFT and stated that it is prepared to consider the EPA on an expedited basis. On November 29 and 30, 2004, the Commission held a Procedural Conference in Vancouver that established the scope for the proceeding to review BC Hydro’s EPA filing and CFT Report.

The Pre-hearing Conference will commence at 8:30 a.m. on Wednesday, December 22, 2004 and the Public Hearing will commence at 8:30 a.m. on Tuesday, January 11, 2005. Both will take place in Vancouver at 855 Homer Street.

The Town Hall Meeting will commence at 9:30 a.m. on Saturday, January 15, 2005 in the Malaspina Room at the Coast Bastion Inn at 11 Bastion Street in Nanaimo.

PUBLIC INSPECTION OF THE DOCUMENTS

The EPA filing and the CFT Report and supporting material will be made available for inspection at the Nanaimo and Victoria offices of BC Hydro, the BC Hydro Head Office at 333 Dunsmuir Street, Vancouver, B.C., V6B 5R3, and the British Columbia Utilities Commission office, Sixth Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3.

The EPA filing and CFT Report will be available for viewing on BC Hydro's website at www.bchydro.com.

PARTICIPATION AT THE TOWN HALL MEETING

Parties wishing to make a presentation on the EPA filing and the CFT Report to the Commission Panel at the Town Hall Meeting in Nanaimo should contact Commission Counsel, Mr. Gordon Fulton, at (604) 687-6789 or gfulton@boughton.ca on or before January 11, 2005.

FURTHER INFORMATION

For further information, please contact Mr. Robert J. Pellatt, Commission Secretary, as follows:

Telephone: (604) 660-4700

Facsimile: (604) 660-1102

E-Mail: Commission.Secretary@bcuc.com

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