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VIA FACSIMILE / EMAIL

December 24, 2004

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

Exhibit No. A-16

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-106-04, the Commission scheduled a Pre-Hearing Conference for December 22, 2004, and Commission Letter No. L-62-04 set out the Agenda for the Pre-Hearing Conference. Further to the Procedural Conference that was held on December 22, 2004, Order No. G-119-04 that accompanies this letter sets out the Revised Regulatory Agenda for the proceeding. The Order also sets out a number of Commission Determinations resulting from the Pre-Hearing Conference, with Reasons for Decision to follow at a later date.

At the December 22, 2004 Pre-Hearing Conference, Green Island Energy Ltd. at Transcript page 847 requested an extension of the date for filing its Intervenor Evidence, to the extent the Evidence relies on Information Request responses that are outstanding on January 5, 2004, to a date that is seven days after the receipt of the responses. The Commission Panel approves this request.

The Nanaimo Town Hall Meeting on January 15, 2005 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. To assist parties who wish to use Power Point for their presentations, the Hearing Officer will

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provide a screen, projector and a cable to connect to the standard monitor port of the presenter's computer. A party wishing to make a Power Point presentation should bring a computers with the Power Point presentation, and must provide a hard copy of the presentation. All parties making submissions at Nanaimo are encouraged to provide a hard copy of their submissions if convenient.

At the November 30, 2004 Pre-Hearing 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 Pre-Hearing Conference at page 307 through 315, www.allwestbc.com/bcuc/BCUC_VICFT.html. At the December 17, 2004 Pre-Hearing Conference, the Commission Panel provided further guidance on scope at Transcript page 414, and confirmed the three resource options that will be considered in the review at Transcript page 453.

With regard to environmental issues, the Commission Panel again 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.

Yours truly,



Robert J. Pellatt

JBW/yl

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

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-119-04**

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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
L.A. Boychuk, Commissioner December 22, 2004

O R D E R

WHEREAS:

- A. On November 19, 2004, British Columbia Hydro and Power Authority ("BC Hydro") submitted to the British Columbia Utilities Commission ("Commission") the Electricity Purchase Agreement ("EPA") and Vancouver Island Generation Project Transfer Agreement with Duke Point Power Limited Partnership ("Duke Point Power") and a Report on the BC Hydro Call for Tenders on Vancouver Island ("CFT") Process ("the CFT Report"); and
- B. 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
- C. At the Pre-Hearing Conference on November 30, 2004, the Commission Panel made determinations regarding the scope of the proceeding and directed that a Public Hearing, and a Town Hall Meeting in Nanaimo, would take place. Order No. G-106-04 established the Regulatory Agenda for the proceeding; and
- D. Pursuant to Letter No. L-62-04, on December 17, 2004, the Commission Panel held a Pre-Hearing Conference to consider an application by BC Hydro seeking relief with respect to responding to certain Information Requests. Commission Letter No. L-63-04 set out the Commission Panel's determinations with regard to the application for relief; and

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- E. Pursuant to Order No. G-106-04, on December 22, 2004, the Commission Panel held a Pre-Hearing Conference to address matters that were identified in Letter No. L-64-04, including applications related to reasonable apprehension of bias, the scope of the proceeding and the disclosure of confidential information. The Pre-Hearing Conference also considered revisions to the Regulatory Timetable;
- F. At the December 22, 2004 Pre-hearing Conference, Commissioner Birch recused himself from the proceeding; and
- G. The Chair indicated at the Pre-hearing Conference that a written procedure would be established to deal with the application by the Joint Industry Electricity Steering Committee (“JIESC”) in Exhibit No. C19-5 for reconsideration of a Commission Panel determination related to the scope of the proceeding (JIESC reconsideration application).

NOW THEREFORE the Commission orders as follows:

- 1. A Phase 1 reconsideration process, as described in the Commission’s Participant Guidelines, to consider whether the JIESC reconsideration application has established a prima facie case sufficient to warrant full consideration is established as follows: parties’ comments by January 4, 2004; JIESC response by January 6, 2004.
- 2. The applications by BC Old Age Pensioners Organization *et al.* in Exhibit No. C3-4 and by the JIESC in Exhibit No. C19-5 for reconsideration of a Commission Panel Determination related to disclosure of confidential information are denied as premature.
- 3. The Commission finds that the requests by Vanport Sterilizers Inc. in Exhibits C39-1, C39-2 and C39-3 relate to resource options that are outside the scope of this proceeding, and denies the requests.

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4. The Public Hearing will commence at 8:30 a.m., on Monday, January 17, 2005 on the Third Floor, of 855 Homer Street in Vancouver. The Regulatory Agenda for the proceeding is revised and the Revised Regulatory Agenda is set out in Appendix B to this Order.
5. As previously scheduled, 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.
6. For reasons to follow, the Commission directs the disclosure of Appendix 3, except sections 1.1(hh), 1.1(ii), and 1(jj), to the EPA.

DATED at the City of Vancouver, in the Province of British Columbia, this *24th* day of December 2004.

BY ORDER


L.A. Boychuk
Commissioner

Attachments

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

REVISED REGULATORY AGENDA

	DATE
Filing of Intervenor Written Evidence	Thursday, January 6, 2005
Information Requests on Intervenor Written Evidence	Tuesday, January 11, 2005
Town Hall Meeting in Nanaimo	Saturday, January 15, 2005
Public Hearing commences in Vancouver	Monday, January 17, 2005
Intervenor Responses to Information Requests	Monday, January 17, 2005