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ROBERT J. PELLATT
COMMISSION SECRETARY
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VIA E-MAIL

keough@bennettjones.ca

January 11, 2005

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

Exhibit No. A-28

Mr. Loyola Keough
Bennett Jones
Barristers & Solicitors
855 – 2nd Street SW
4500 Bankers Hall East
Calgary, Alberta T2P 4K7

Dear Mr. Keough:

Re: A Filing by British Columbia Hydro and Power Authority (“BC Hydro”)
Call for Tenders for Capacity on Vancouver Island (“CFT”)
Review of Electricity Purchase Agreement (“EPA”)

Enclosed is Commission Information Request No. 1 to Duke Point Power Limited Partnership. Please provide the Commission with an electronic and hard copy response no later than Monday, January 17, 2005

Yours truly,

Original signed by:

Robert J. Pellatt

cms
Enclosure

cc: Mr. Richard Stout
Chief Regulatory Officer
British Columbia Hydro and Power Authority
Registered Intervenors

BRITISH COLUMBIA UTILITIES COMMISSION
Commission Information Request of Duke Point Power Limited Partnership

**British Columbia Hydro and Power Authority (“BC Hydro”)
Call for Tenders for Capacity on Vancouver Island (“CFT”)
Review of Electricity Purchase Agreement (“EPA”) Filing dated November 19, 2004**

- 1.0 Reference: Exhibit No. C17-6, DPPLP Evidence Filing, January 6, 2005**
- 1.1 Page 1, A1: Please support the statement that “Pristine Power Inc. is a company experienced in the development of major power generation projects”, and list by name, location, size, and actual COD those power projects developed to successful operation by the corporate entity Pristine Power Inc.
- 1.2 Page 1, A1: Who are the shareholders of Pristine Power Inc.?
- 1.3 Page 2, A1: Does “10% of the venture” mean 10% of DPPLP? If not, 10% of which entity?
- 1.4 Page 2, A2: Please identify the “key team members”, the “Project management personnel”, and other members of the “highly qualified and experienced team”
- 1.4.1 Please provide the CVs of these personnel.
- 1.4.2 Please provide evidence of the experience of Bibb and Cochrane in the EPC of analogous power plants.
- 1.5 Page 3, A2: Please provide a rough breakdown of the \$2 MM between cash (or cash owed) and “sweat equity”.
- 1.6 Page 3, A3: Is sale of energy or capacity to Harmac or any party other than BC Hydro the intention of DPPLP?
- 1.6.1 Are contractual arrangements with Harmac in place or underway?
- 1.6.2 In DPPLP’s opinion, does BC Hydro have any contractual rights under its EPA to require DPPLP to sell this capacity or energy (or any part of it) to BC Hydro at any time?
- 1.7 Page 4, A3: How much additional capacity is available through duct firing?
- 1.7.1 When will this capability be installed?
- 1.7.2 What benefit, if any, will accrue to BC Hydro from such capability?
- 1.7.3 If any of the plant components listed were upgraded to improve plant heat rate, how would the resulting financial benefits be split between BC Hydro and DPPLP?
- 1.8 Page 7, A7: DPPLP state there were “no surprises” in the CFT process. Please if and how DPPLP anticipated that the term of the EPA would be changed from 10-25 years as in the original CFT documents, to 25 years minimum with a BC Hydro unilateral option to extend to 35 years. Please similarly explain why DPPLP expected that the Independent Reviewer, originally allowed to talk to bidders, would later be forbidden to talk to bidders and vice-versa.
- 1.9 Page 10, A13:
- 1.9.1 Is DPPLP taking the position that it was unaware that the BCUC might reject the EPA if it found that, as for VIGP, BC Hydro had failed to demonstrate that this project is the most cost effective solution for the Vancouver Island capacity issue? If so, please provide evidence from the CFT documents that support this position.

- 1.9.2 Is DPPLP taking the position that the terms and conditions of the EPA are irrelevant in the determination of whether this project is the most cost effective solution to the Vancouver Island capacity issue? If so, please state why.
 - 1.9.3 Would DPPLP bid the same prices for the project if the terms and conditions of the EPA were (a) far harsher; or (b) far “looser” as seen from the position of bidder?
 - 1.9.4 Philosophically, is there a point of “harshness” in a CFT and/EPA at which DPPLP would simply decline to bid?
- 1.10 Under the terms of the DPPLP EPA, please explain the extent to which DPPLP is responsible for any Green House Gas charges, fees or penalties until 2010, and starting 2011. Please clarify whether DPPLP has factored any such GHG liability into its bid price.