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ROBERT J. PELLATT
COMMISSION SECRETARY
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VIA E-MAIL

pcochrane@willisenergy.com

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-33

Ms. Penny Cochrane
Senior Consultant
Willis Energy Services Limited
#500 – 885 Dunsmuir Street
Vancouver, BC V6C 1N5

Dear Ms. Cochrane:

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 the Commercial Energy Consumers. 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 No. 1
to the Commercial Energy Consumers

**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 C32-3

- 1.1 At page 3, paragraph 3, CEC states: “If, without the credit, DPP is not confirmed as the most cost-effective solution then indeed it is more likely the VIGP costs will be charged to the shareholder.” [Emphasis added.] Is it therefore reasonable to assume that some portion of the costs could be allocated to ratepayers and the return of those costs could be reasonably considered in the evaluation of alternative portfolios? Under what conditions does CEC believe all or a portion of VIGP costs could reasonably be charged to the ratepayer if DPP is not the most cost-effective outcome of the CFT process?
- 1.2 At page 3, paragraph 5, CEC indicates we are left to speculate whether or not potential bidders chose not to bid based on the treatment of VIGP sunk costs. Does CEC have any evidence this occurred?