



November 14, 2008

Erica M. Hamilton
Commission Secretary
British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, B.C.
V6Z 2N3

Dear Madam:

**Re: British Columbia Hydro and Power Authority
2008 Long Term Acquisition Plan (2008 LTAP)
Order G-126-08**

Set out below is an e-mail that the IPPBC received late yesterday afternoon from BC Hydro with respect to a possible change in the 2008 LTAP oral hearing schedule and the IPPBC's response.

As the IPPBC understands the situation, BC Hydro will be filing material which may have a material impact on the 2008 LTAP. The IPPBC appreciates that the current economic situation is not the norm and the need for filing this evidence. This is very similar to the circumstances that were very recently encountered during the oral hearing with respect to the BCUC's review of BC Hydro's F2007/2008 Revenue Requirements Application ("RRA").

The attached e-mail indicates that as a result of the filing of this evidence, it may be necessary to adjust the hearing schedule to accommodate another round of information requests. The IPPBC's preference would be to proceed in accordance with the existing hearing schedule but it is mindful of the fact that the RRA hearing was adjourned to allow for the filing and response to a final round of information requests based on a final update of BC Hydro's evidence. Although the IPPBC did not have any additional information requests and wanted the hearing to proceed as scheduled, other intervenors did file information requests and followed the responses up with effective cross examination.

As indicated in the e-mail, the IPPBC's concern is what a change in the schedule might do to the availability of the IPPBC's 2008 LTAP witnesses. Today is the deadline for the filing of the evidence for intervenor witnesses and the IPPBC does not want to file the evidence of witnesses that might not be able to appear because of a new oral hearing schedule. The IPPBC has no way of compelling or providing incentives to 2 out of 3 of



its expected witnesses because they are not independent consultants. One of them is currently on holiday. It does not know what the availability of the other intended witness might be because they are on business overseas and cannot be contacted.

The IPPBC's selection of witnesses and the filing of their evidence is as much a function of their availability as anything else. If alternative witnesses are required, and available, they will have to be given an opportunity to review the relevant IPPBC evidence before it can be filed.

The IPPBC's requests that the deadline for the filing of its intervenor evidence be postponed from today's date until the earlier of:

1. One day after the date that BC Hydro indicates that it does not intend to bring forward an application to amend the hearing schedule set out in the attached e-mail;
2. One day after the date that the BCUC decides not to amend the hearing schedule;
or
3. Seven days after the date the BCUC decides to amend the hearing schedule.

Your prompt attention to this matter will be greatly appreciated.

Yours truly,

"Original signed by David Austin"

David Austin

Cc BC Hydro, Intervenors, G. Fulton



From: David Austin [mailto:daustin@securitieslaw.bc.ca]
Sent: Thursday, November 13, 2008 5:39 PM
To: 'Godsoe, Craig'; 'Jim Quail'; 'Leigha Worth'; 'RBW@bht.com'; 'cweafer@owenbird.com'; 'dwcraig@allstream.net'; 'wjandrews@shaw.ca'; 'Jhunter@litigationchambers.com'
Cc: 'Sofield, Joanna'; 'Matheson, Cam'; 'Reimann, Randy'; 'Marchant, Richard RE'; 'Cender, Leon'; 'kthrasher@lawsonlundell.com'
Subject: RE: 2008 LTAP Schedule & Other Issues

The IPPBC's preference is to leave the schedule as is and deal with the updates through cross examination. However, if the hearing schedule is changed to accommodate another round of information requests then the availability of witnesses that the IPPBC intends to call in the hearing is no longer certain. Since 2 of the 3 IPPBC witnesses are not independent consultants, there is no way the IPPBC can compel or entice them to participate. It is also not clear whether the independent consultant that the IPPBC intends to call will be available if the hearing schedule is changed. The selection of these IPPBC witnesses and the filing of their evidence is as much a function of their availability as anything else.

Tomorrow is the deadline for intervenors to file their LTAP evidence. The IPPBC does not want to file evidence of witnesses that might not be able to attend the oral hearing because of a change in the hearing schedule. Although substitute witnesses might be available, the IPPBC will need to check the schedules of its intended witnesses and to contact any substitutes before it files its evidence. If there is going to be change to the hearing schedule and it can be confirmed by close of business tomorrow, then the date for filing intervenor evidence should be moved to November 21st so that the IPPBC can do the work that is required in order to file its evidence.

The IPPBC appreciates that the hearing schedule is determined by the BCUC and not intervenors but wishes to bring this problem to your attention as promptly as possible.

Regards,

From: Godsoe, Craig [mailto:craig.godsoe@bchydro.com]
Sent: Thursday, November 13, 2008 4:43 PM
To: Jim Quail; Leigha Worth; RBW@bht.com; cweafer@owenbird.com; dwcraig@allstream.net; wjandrews@shaw.ca; daustin@securitieslaw.bc.ca; Jhunter@litigationchambers.com



Cc: Sofield, Joanna; Matheson, Cam; Reimann, Randy; Marchant, Richard RE; Cender, Leon; kthrasher@lawsonlundell.com

Subject: 2008 LTAP Schedule & Other Issues

I am writing to you concerning the possibility of amending the 2008 LTAP schedule to permit a round of IRs to issue with respect to the Evidentiary Update BC Hydro has committed to file on 22 December 2008. I have tried to speak with each of you before hand regarding this issue - I have not been able to get in touch with David Craig, and understand that Chris Weafer is out of the office until 18 November 2008.

I also write with respect to the possibility of BC Hydro seeking early orders with respect to the Mica Units 5/6 Definition phase expenditure request and with respect to the Fort Nelson Generating Station Upgrade Project (FNGU) Definition and Implementation phase expenditure request. Finally, I write with respect to the BioEnergy Call Phase 1 EPA awards.

1. **2008 LTAP Schedule**

In response to BCOAPO, BCUC and IPPBC second round IRs (see especially Exhibit B-4, BC Hydro response to IPPBC IR 2.8.0), BC Hydro committed to filing on 22 December 2008 a comparison of the 2008 energy and peak load forecasts to the 2007 load forecasts, as well as a description of the various electrification scenarios being examined. In addition, new F2006 Call attrition numbers would be filed at that time. The result would be a new load/resource gap.

BC Hydro sees two possibilities for dealing with this evidentiary update. The **First** is to leave the schedule as is, with intervenors, BCUC counsel and the BCUC panel dealing with the evidence though cross examination.

The **second** is for BC Hydro to apply to the BCUC to amend the schedule to permit the issuance of a round of IRs with respect to the Evidentiary Update. Such an amended schedule would look something like this:

22 December - Evidentiary Update (2008 Load Forecast, new F2006 Call attrition numbers, new load/resource gap)

8 January 2009 - BCUC and Intervenor IRs on Evidentiary update

10 February - BC Hydro responses to IRs

13 February - BC Hydro Direct Testimony and Rebuttal Evidence, if any

19 February - Commencement of 2008 LTAP Hearing.

BC Hydro is neutral as between these two possibilities, but wanted a fair process and thus is seeking customer and other intervenor input - whether by email or a meeting. BC Hydro will then approach the remainder of the 2008 LTAP intervenors. Time is of the essence if the 2008 LTAP schedule is to be amended, and so the earlier I hear from you the better.

2. **Early Orders for Mica Units 5/6 Definition Phase and for Fort Nelson Generating Station Upgrade Project**



BC Hydro proposes to request from the BCUC the issuance of orders in advance of the 2008 LTAP reasons for decision with respect to the Mica Units 5/6 Definition phase expenditure request and with respect to the FNGU Definition and Implementation phase expenditure request. BC Hydro would seek to have the orders issue sometime after the close of the 2008 LTAP argument phase - possibly mid April 2009 if the current 2008 LTAP schedule holds, or mid to late May 2009 if the 2008 LTAP schedule is amended. I had foreshadowed an early order request for FNGU at the 9 September 2008 Procedural Conference (Transcript page 85, lines 6-12).

BC Hydro is of the view that the issuance of early orders for these two expenditure requests would not prejudice anyone, as all intervenors are free to cross examine with respect to FNGU, and file argument with respect to both Mica Units 5/6 and FNGU. The reason for the early order request is to limit contractual cost exposure. With respect to Mica Units 5/6 see Exhibit B-4, BC Hydro responses to BCUC IR 2.212.1 and 2.212.2 concerning the first phase Turbine and Generator contract schedule (award date is April 2009). With respect to FNGU refer to Attachment 1 to Appendix N2, Exhibit B-1-10.

BC Hydro would be happy to meet to discuss this further if desired by the customer and other intervenors.

3. **BioEnergy Call Phase 1**

Finally, BC Hydro is planning to file the awarded BioEnergy Call Phase 1 EPAs, together with a report explaining the results, on or about 22 December 2008. BC Hydro will consult with the customer and other intervenors with respect to the regulatory review process, if any, once the awarded EPAs are announced.

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