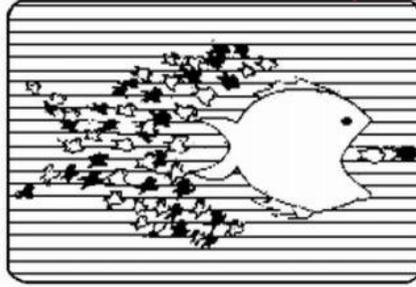


The British Columbia Public Interest Advocacy Centre

208–1090 West Pender Street
Vancouver, BC V6E 2N7
Coast Salish Territory
Tel: (604) 687-3063 Fax: (604) 682-7896
email: support@bcpiac.com
<http://www.bcpiac.com>



Eugene Kung 687-3006
Ros Salvador 488-1315
Leigha Worth 687-3044
Barristers & Solicitors
Hasan Alam 687-3017
Articled Student

Our File: 7490

October 12, 2011

Via Email

Ms. Alanna Gillis
Acting Commission Secretary
British Columbia Utilities Commission
Sixth Floor - 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Gillis:

**RE: Project No. 3698640
British Columbia Utilities Commission (BCUC)
British Columbia Hydro and Power Authority (BC Hydro)
Application for a Certificate of Public Convenience and Necessity for the Dawson
Creek/Chetwynd Area Transmission (DCAT) Project (the Application)
Participant Assistance/Cost Awards (PACA) Interim Funding Applications**

We continue to represent BCOAPO et al in this matter. BCOAPO represents BC Hydro's residential ratepayers and speaks, in particular from the perspectives of the low and fixed income ratepayers whom our clients represent.

Further to BC Hydro's letter of October 7, 2011 and pursuant to Exhibit A-6 in this matter, BCOAPO is writing to provide our response to BC Hydro's comments on the Interim PACA. BCOAPO has partnered with CEC in their proposal and fully supports the Interim PACA funding request.

BCOAPO remains concerned that this project requires a significant capital investment that by BC Hydro's own forecasts will become stranded assets. By presenting a limited range of options, BC Hydro has effectively reduced the Commission's and Intervener's ability to determine whether this project is in the public interest.

BCOAPO notes that supporting the Interim PACA request does not bind the Commission or parties to support or adopt the alternatives contained in the proposal. In our respectful submission, BC Hydro's comments of October 7 pre-maturely address the substantive content of the proposed alternative without the benefit of reviewing the complete proposal. Indeed, the purpose of the Interim PACA funding is to expand and improve on the proposal so that a more thorough and robust analysis of the options available to BC Hydro can be undertaken. Once a

more thorough alternative has been developed, BC Hydro, Interveners and the Commission will be free to test that alternative as they would any other evidence.

PACA Funding Guidelines

BCOAPO submits that the current proceeding is an 'exceptional circumstance' as contemplated in the Commission's PACA Guidelines for a number of reasons. First, the recent review of BC Hydro identifies the desire of their shareholder to reduce rate increases by managing its investment in capital assets more carefully to achieve better value for ratepayers. This proposal allows for the Commission, BC Hydro and Interveners to consider a wider range of options that balance cost with other government policies.

Second, interim PACA funding requests are rare, and BC Hydro's statement that this will set a dangerous precedent for speculative requests is baseless. Indeed, we note that the Terasen Utilities 2009 Return on Equity was the last occurrence of customer groups jointly proposing an alternative for the Commission to consider, and that alternative materially contributed to the Commission's determination.

Third, BC Hydro's own forecast suggest that this project may not be justified and will likely result in significant stranded assets. The alternatives contemplated in the proposal are in response to these deficiencies, first identified at BC Hydro's workshop of July 20, 2011. Similar concerns have not been common in CPCN applications.

Finally, BC Hydro correctly states in its comments that ratepayers will ultimately be responsible for the costs resulting from funding the development of the alternative proposal. We note that every comment from interveners, including ratepayers, has supported the interim PACA request. BC Hydro's suggestion that CEC and BCOAPO could independently retain a consultant ignores the enormous disparity in resources between BC Hydro and its customers.

The funding of an alternative proposal for the Commission to consider can only help in determining whether this project is in the public interest. BC Hydro will recover any costs associated with considering this option from the ratepayers who have put forward the proposal. BCOAPO also notes that the PACA Guidelines do not equate exceptional circumstances with long or burdensome processes as suggested by BC Hydro.

For these reasons, BCOAPO continues to strongly support the Interim PACA request submitted on September 14, 2011.

Yours truly,
BC Public Interest Advocacy Centre

Original on file signed by:

Eugene Kung
 Barrister & Solicitor

cc. BC Hydro
 cc. Interveners