December 8, 2005

TO: ALL PARTICIPANTS

Re: British Columbia Transmission Corporation (“BCTC”) Certificate of Public Convenience and Necessity (“CPCN”) Application
Vancouver Island Transmission Reinforcement Project (“VITR”)
Sea Breeze Victoria Converter Corporation (“Sea Breeze”)
CPCN Application for Vancouver Island Cable Project (“VIC”)
Projects No. 3698395 and 3698405, Orders No. G-70-05 and G-97-05

Hearing Commencing at 855 Homer Street, Second Floor, Vancouver on January 16, 2006 (Opening Statements) and January 23, 2006 (Evidentiary)

The following will provide participants in the VITR/VIC Hearing with information to assist them by explaining the process. For others who simply want to observe the proceedings, make a statement about the Applications, or submit a Letter of Comment, this document will also help.

WHAT CAN I EXPECT AT THE TOWN HALL MEETINGS AND ORAL PUBLIC HEARING?

The Town Hall Meetings and Hearing will generally proceed in the following order:

- The Town Hall Meetings in Ganges and Duncan will begin at 11:00 a.m. Those in Tsawwassen and Surrey at 5:00 p.m. Members of the public who advised Commission Counsel on or before December 15, 2005 of their intention to make a presentation at one of the Town Hall Meetings pursuant to Commission letters dated October 27, 2005 (Exhibit A-28) or November 25, 2005 (Exhibit A-39) will make their presentations to the Commission Panel. Presentations will be limited to 10 minutes. A transcript will be made of the presentations and they will form part of the record of the proceedings. For further information on the Town Hall Meetings, including their location, please see Exhibit A-39 which can be found at the Commission’s website: www.bcuc.com

- The Commission Panel will hear Opening Statements from the participants commencing at 9:00 a.m. on January 16, 2006 on the Second Floor, 855 Homer Street, Vancouver. One of the purposes of Opening Statements on that date is to allow participants to identify issues that they wish to pursue at the Hearing. Participants should make reference to the evidence relevant to the issues they identify. Such references will assist the Commission Panel in understanding the issues the participants identify in their Opening Statements. BCTC and Sea Breeze will make their statements first, followed by the Intervenors. The Commission Panel expects each Applicant to prepare a Hearing Issues List for its Application following the Opening Statements. The Applicants are to file their respective Hearing Issues Lists as Exhibits and provide the Commission Panel with any explanatory oral comments at a public sitting of the Commission Panel
commencing at 9:00 a.m. on January 18, 2006 on the Second Floor, 855 Homer Street, Vancouver. Following consideration of the Applicant Hearing Issues Lists and any explanatory comments, the Commission Panel will release a Consolidated Hearing Issues List on January 20, 2006. The Applicants and other participants may also make Opening Statements at the Hearing when their panels are called.

• On January 23, 2006, the Hearing will commence at 9:00 a.m. on the Second Floor, 855 Homer Street, Vancouver. The presiding Chair of the Commission Panel will make an Opening Statement which outlines the nature of the Applications, addresses certain procedural matters for the Hearing, and comments on anticipated sitting hours. For further information on procedural matters, please see Exhibits A-28 and A-39.

• BCTC and Sea Breeze, followed by Intervenors, will then be called upon according to the Order of Appearances. When a participant’s name is called, the participant or its counsel or representative comes forward stating for the record who they are or whom they represent.

• If any participant has a preliminary matter or motion that it wishes to address or bring at the commencement of the Hearing and prior to evidence being heard by the Commission Panel, the participant must advise Commission Counsel of that matter or motion by 4:30 p.m., Thursday, January 19, 2006.

• The Commission Panel will deal with any preliminary matters or motions prior to the hearing of the evidence of the first BCTC panel of witnesses.

• Counsel for BCTC will then make an Opening Statement identifying the BCTC witness panels and outlining the evidence expected from those panels. BCTC counsel will next call BCTC’s first witness panel. The witness panel will be sworn and will then adopt the pre-filed evidence that the witness panel members will be speaking to. Following the adoption of the evidence, one of the witnesses may have a short Opening Statement. The Opening Statement should not introduce new evidence and written copies should be provided to participants in advance, at least one business day beforehand.

• Following the Opening Statement of the witness panel, BCTC’s witnesses are available for cross-examination. Counsel for Sea Breeze cross-examines second from last followed by Commission Counsel who cross-examines last. After cross-examination by Commission Counsel, the Commission Panel will ask any outstanding questions it may have.

• Following the questions of the Commission Panel, BCTC’s counsel may have some clarification questions in re-examination. This is not an opportunity to supplement evidence or provide new evidence.

• Following the conclusion of any re-examination of the last BCTC witness panel, counsel for Sea Breeze will then make an Opening Statement identifying the Sea Breeze witness panels and outlining the evidence expected from those panels. Sea Breeze counsel will next call the first Sea Breeze witness panel. The witness panel will be sworn and will then adopt the pre-filed evidence that the witness panel members will be speaking to. Following the adoption of the evidence, one of the witnesses may give a short Opening Statement. Again, the Opening Statement should not introduce new evidence and written copies should be provided to participants in advance, at least one business day beforehand. The Sea Breeze witness panel then

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1 The Order of Appearances and Order of Cross-Examination will be co-ordinated by Commission Counsel, in consultation with participants. Commission counsel are Mr. Gordon Fulton and Mr. Paul Miller, who can be reached prior to the hearing at (604) 687-6789 or by email at gflulton@boughton.ca and pmiller@boughton.ca

2 Adoption of evidence means that you confirm under oath that you have read the evidence you filed and that you adopt it as your own. This process does not enable you to repeat the evidence. The Commission will issue a Pre-filed Exhibit List of the pre-filed evidence that will constitute the start of the public record at the commencement of the hearing.
becomes available for cross examination by other parties. In this instance, counsel for BCTC will cross examine second from last followed by Commission Counsel and the Commission Panel. Counsel for Sea Breeze may then re-examine for the purposes of clarification or explanation.

- Following the conclusion of any re-examination of the last Sea Breeze witness panel, Intervenors who pre-filed evidence will be called in an order prearranged with Commission Counsel. The Intervenor’s witness panel members will be sworn, then asked to adopt the Intervenor’s evidence and be allowed to make a short Opening Statement. Once again, the Opening Statement should not introduce new evidence and written copies should be provided to the participants in advance, at least one business day beforehand. Following any Opening Statement, the Intervenor’s witness panel becomes available for cross-examination by other parties. In this instance, counsel for Sea Breeze and BCTC will cross-examine either third from or second from last, followed by Commission Counsel and the Commission Panel. Counsel for the Intervenor may then re-examine for purposes of clarification or explanation.

- Participants may provide written statements as Letters of Comment to the Commission at any time up to the completion of the evidentiary portion of the Hearing, but are encouraged to provide Letters of Comment no later than the commencement of the Hearing.

- When the oral testimony of all the witnesses has been completed, and subject to any filing of answers to outstanding undertakings made during the Hearing, the evidentiary portion of the Hearing is at an end and the Final Argument phase commences. Final Argument will be written and may have an oral phase. The sequence of the Final Argument on the Applications will be BCTC and Sea Breeze followed by Intervenors followed by reply by BCTC on the VITR Application and Sea Breeze on the VIC Application. The schedule of Final Argument will be determined by the Commission Panel during the Hearing.

- The Commission Panel may hold an oral phase on the Final Argument after the delivery of the Final Argument, including any Reply Argument of BCTC and Sea Breeze. The purpose of this phase is to allow the Commission Panel an opportunity to ask any questions the Commission Panel may have arising from the written Final Arguments. Participants are not allowed to reargue their respective positions taken in Final Argument during this phase. Nor are participants allowed to comment on the Final Argument of others during this phase unless in response to a question asked by the Commission Panel. The Commission Panel may not have questions of all participants.

**DEFINITIONS**

**Applicants**

There are two applicants before the Commission: BCTC which has applied for a CPCN for VITR and Sea Breeze which has applied for a CPCN for VIC.

It is up to each Applicant to make its case to the Commission Panel based on all the evidence presented at the Hearing. Each Applicant has the choice of how to present its case, what witnesses it wishes to call and the order of presentation of its evidence. An Applicant’s witness panels normally follow each other. Exceptions to the usual order may be made where it becomes necessary to accommodate the schedule of an Intervenor’s out of town witness. In such circumstances Commission Counsel must first be consulted. Commission Counsel will attempt to reach an agreement with counsel for the affected Applicant, but if no agreement can be reached, an application may be made to the Commission Panel.
Applications

There are two applications before the Commission. In the first, filed July 7, 2005, BCTC requests a CPCN to construct and operate the VITR to reinforce the electric transmission system serving Vancouver Island and the Southern Gulf Islands. BCTC proposes to replace an existing 138 kilovolt (“kV”) transmission line between South Delta and North Cowichan with a new 230 kV line that will be entirely within the existing 138 kV right-of-way. The VITR is estimated to cost $245 million and is scheduled to be in service by October 2008.

In the second, filed September 30, 2005, Sea Breeze requests a CPCN for the VIC. Sea Breeze proposes to construct a High Voltage Direct Current Light® transmission system between the Lower Mainland and Vancouver Island that it estimates will cost $302 million and is scheduled to be in service by March 2008. Sea Breeze proposes the VIC as an alternative to the VITR to reinforce the transmission system serving Vancouver Island.

The applications have been made pursuant to Sections 45 and 46 of the *Utilities Commission Act, RSBC 1996, c. 473.*

Commission Counsel

Commission Counsel advises the Commission Panel on legal matters, including the conduct of the Hearing. Commission Counsel can also cross-examine the witnesses of BCTC, Sea Breeze and Intervenors in order to obtain evidence needed for the Commission Panel to arrive at a decision. Commission Counsel usually questions witnesses after all other parties have finished their cross-examination. Commission Counsel does not play an adversarial role and does not oppose or support either Applicant or any Intervenor. Commission Counsel is also responsible for any issues related to scheduling of witness panels and the order of cross-examination. Commission Counsel is available to assist Participants who have questions related to the Hearing process.

Commission Panel

The Commission Panel hearing the Applications consists of Commissioner Robert Hobbs, who is Chair of the Panel, Commissioner Nadine Nicholls and Commissioner Liisa O’Hara. The Commission Panel will hear all the evidence and will decide whether or not to approve either Application. During the hearing of the evidence, the Commission Panel may ask questions of the Applicants, the Intervenors and others presenting evidence. The Chair will ensure a fair process and an efficient Hearing. During the Hearing, the Chair may make procedural orders and may limit cross-examination and the duration of presentations.

Commission Staff

The Commission Panel has the assistance of economists, accountants and engineers who advise Commission Panel members on technical matters. Commission staff are also available to assist participants who have technical questions regarding the hearing process.

Court Reporters

The Commission has contracted with Allwest Reporting Ltd. to make verbatim transcripts of the oral evidence at the public hearing. Active Intervenors in the Hearing are entitled to receive one hard copy and an electronic copy of each day’s proceedings later that same day, at no cost. Intervenors are required to make transcript requests in writing to the Commission by January 12, 2006. Electronic copies will be available by disk, e-mail or downloading from the Internet. A copy of the daily transcript of the proceedings will also be available for review in the Resource Area at the Hearing.
Cross-examination

Cross-examination is the questioning of another party’s witness. The Applicants and Intervenors have the opportunity to question the other parties’ witnesses. Parties who support the testimony of a witness or a witness panel should not expect to cross-examine that witness or witness panel.

Evidence

Evidence may be in written or oral form. It provides the factual basis for the Commission Panel’s decision. The evidence includes the pre-filed evidence from the Applicants and Intervenors, responses to Information Requests, statements made at the Town Hall Meetings, documents filed at the Hearing, and the oral testimony of witnesses. Participants may sometimes file rebuttal evidence in response to the evidence of another participant. Oral evidence is usually given under oath. New written evidence can only be filed at the Hearing with leave of the Chair. Any Intervenor who has filed evidence is expected to appear at the Hearing to adopt the filed evidence.

Interested Parties who wish to make a statement can do so at the Hearing or at one of the Town Hall Meetings. Alternatively, individuals can submit written statements as Letters of Comment, which will form part of the “E” class of Exhibits at the Hearing. Individuals making such statements at the Hearing or submitting Letters of Comment are not normally required to do so under oath or undergo cross-examination.

Examination-in-Chief

This is the first questioning of a witness by the lawyer or representative who called the witness to testify. Since the evidence will have been pre-filed in these proceedings, the Commission generally limits examination-in-chief to the adoption of the written evidence and the correction of any errors in the written evidence.

Exhibit List

A listing of all the documents that have been filed in the proceeding. Documents are to be filed pursuant to the Commission’s Document Filing Protocols. The Exhibit List and the Document Filing Protocols are available in the Resource Materials Area.

Final Argument

Final Argument is made at the end of the evidentiary part of the Hearing (after all witnesses have testified and all the undertakings have been completed). It is a summary of a party’s position on the Applications, based on the evidence presented. New evidence cannot be introduced in Final Argument.

Hearing Officer

The Hearing Officer is in charge of all physical arrangements for a hearing. He or she receives and records all exhibits, gives the oath to witnesses and generally contributes to the efficient functioning of the Hearing. Mr. Hal Bemister of Allwest Reporting Ltd. is the Hearing Officer for the Hearing.

Intervenors

Intervenors are parties to the proceeding who have been granted Intervenor status. They have the right to cross-examine witnesses, present their own witnesses, bring motions, and make Final Argument. Intervenors should only cross-examine parties who are adverse in interest to them. In a large hearing, Intervenors who have similar interests to other Intervenors may adopt the views of those with whom they share similar interests.
Opening Statements

Opening Statements fall into four categories. In chronological order, the first is the Opening Statement made by a participant or its representative during the identification of issues phase which takes place prior to the commencement of the oral evidentiary hearing. The second is the Opening Statement of the Panel Chair which outlines the nature of the proceedings and addresses certain procedural matters. The third is an Opening statement made by a participant or its representative immediately prior to that participant calling its evidence. It outlines the position of the participant on the matters that are to be decided by the Commission and generally identifies the witness panels or witnesses that the participant intends to call. The fourth category is the Opening Statement of a witness panel or a witness. It is a short statement of the position of the witness or witness panel. A witness panel or witness may choose not to make an opening Statement. The Commission Panel expects participants to circulate copies of the third and fourth category of Opening Statements at least one business day before the witness panel or witness is called.

Re-Examination

Re-examination provides a limited opportunity for the party calling a witness or witness panel to have the witness clarify or explain matters that have arisen during cross-examination. It is not for the purpose of supplementing evidence or providing new evidence.

FREQUENTLY ASKED QUESTIONS

What should I do if I cannot attend on the first day of the Hearing?

On the first day, Commission Counsel will call for appearances from the Applicants and everyone who is registered as an Intervenor. If you are unable to be present, you will not be called on in subsequent days for cross-examination, unless you have made other arrangements with Commission Counsel. If you wish to be active in the Hearing but cannot attend the first day or any other day of the Hearing, you should advise Commission Counsel.

What should I do if I only have questions for one witness panel and don’t want to be there for the whole Hearing?

It is not known in advance how long each witness panel will take so it is difficult to predict when each new witness panel will start. You should advise Commission Counsel of the witness panel(s) you want to question prior to entering your appearance on the first day. However, Commission Counsel is not responsible for contacting you to advise you when to attend. You are encouraged to monitor the proceedings by contacting people who are in attendance at the Hearing to see when the witness panel you are interested in might be on the witness stand. Commission Counsel will attempt to accommodate the scheduling of your cross-examination time, but you should be aware that the timing of witness panels is often a fluid matter once a hearing starts.

Is this Hearing like a trial where the witnesses testify and go through all of their evidence before Intervenors can ask questions?

No. Written “direct” evidence will already have been submitted to the Commission before the Hearing. This helps to streamline the oral phase of the Hearing. Neither the Applicants nor Intervenors go through their written evidence again on the witness stand, except to make any necessary corrections to their pre-filed evidence. When a witness is called to testify at the Hearing, the witness adopts the pre-filed evidence under oath. The written evidence then has the weight of sworn evidence. Once the witness takes the stand and adopts his or her evidence with any necessary corrections, and following any opening statement from the witness or witness panel, the next
step is to allow Intervenors to cross-examine in the case of each Applicant’s witness or witness panel and the
other Intervenors and each Applicant’s counsel to cross-examine in the case of an Intervenor’s witness or witness
panel. Commission Counsel may then cross-examine, followed by questions from the Commission Panel. Re-
examination by the party calling the witness or witness panel then takes place.

What happens if I can’t attend on the day when it’s my turn to ask a witness panel questions?

You must make prior arrangements with Commission Counsel or you may miss your opportunity to cross-
examine that witness panel. Although efforts will be made to accommodate the schedules of participants, it may
not always be possible given the number of parties in this Hearing. If you are unable to make arrangements for a
time to cross-examine that is convenient for you, the Applicant who called the witness panel and the Commission,
you may miss your opportunity to cross-examine that witness panel.

Can someone else ask questions on my behalf?

Yes. Your representative can ask questions on your behalf but others cannot. However, it is permissible for
Intervenors to work together on questions and to have one Intervenor ask questions that are of interest to a number
of Intervenors. It doesn’t matter which Intervenor asks the question because the questions and answers become
part of the evidentiary record regardless of who asks them.

Can I cross-examine someone who hasn’t filed evidence?

The purpose of cross-examination is to test the evidence that is on the record. Anyone who has not filed evidence
is not normally subject to cross-examination. A party can request that the Commission subpoena a witness but the
party must make a motion and satisfy the Commission that the subpoena is appropriate.

What should I do when I disagree with one of the answers I receive when I am cross-examining?

Since the witness and the person cross-examining are adverse in their interests (i.e. the cross-examiner is opposed
to the position of the witness) such disagreement is to be expected. However, it is not appropriate to argue with a
witness during cross-examination or to give your opinion to the Commission Panel on the answers you are
receiving, unless you are seeking to establish that the answers are not responsive to your questions. Your
interpretation of the answers of the witness panel and your opinion on them should be saved for the Final
Argument phase of the Hearing.

What is the difference between cross-examination and argument?

The purpose of cross-examination is to test the evidence of the witnesses who are testifying. This means the
witnesses can be asked questions on their evidence and be challenged on its strength and veracity. Argument
comes at the end of the Hearing. The purpose of Argument is to present your views and opinions on the evidence
to the Commission Panel after the Panel has heard all of the evidence. Therefore, your personal views, opinions
and interpretation of filed evidence should be saved for the Argument phase of the Hearing.

I filed written evidence. Do I have to take the witness stand?

If you have filed written evidence, you are expected to adopt that evidence under oath. If you do not adopt your
evidence under oath, it will remain on the record unless the Chair grants a motion for it to be struck. However,
you should be aware that unsworn evidence has less weight than sworn evidence. There may or may not be
parties who wish to cross-examine you on your evidence. If someone asks to cross-examine you, you must be
prepared to attend the Hearing and submit to cross-examination on your evidence. If you decline to attend for
cross-examination when a request has been made to cross-examine you, your evidence can be struck from the record or the Commission Panel may choose to attach little or no weight to your evidence.

Interested Parties and other participants who make a statement of their views on the Applications at the Hearing or submit written Letters of Comment are not normally required to do so under oath or undergo cross-examination.

Yours truly,

Original signed by:

Gordon A. Fulton
Commission Counsel
Notes:
Intervenors will cross-examine from the lecturn by the Commission Counsel table. When Sea Breeze or Intervenor witnesses are giving evidence, their counsel will use the lecturn by the BCTC counsel table.