BC hydro

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June 17, 2009

Ms. Erica M. Hamilton
Commission Secretary
British Columbia Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Hamilton:

RE: Project No. 3698545
British Columbia Utilities Commission (BCUC)
British Columbia Hydro and Power Authority (BC Hydro)
BCUC Inquiry into British Columbia's Long-Term Transmission Infrastructure

At the request of BCUC counsel, BC Hydro is filing with the BCUC a letter dated March 25, 2009 from the Deputy Minister of B.C. Ministry of Energy, Mines and Petroleum Resources to BC Hydro and British Columbia Transmission Corporation (BCTC) regarding BC Hydro's responsibility for First Nations consultation with respect to BC Hydro's and BCTC's submissions. The attached letter is to be marked as Exhibit B2-4.

On a related matter, BC Hydro wishes to advise the BCUC that as part of the Second Procedural Conference it will be seeking additional information with respect to the schedule for the fall BCUC staff-led workshops on further scenario development and the BCUC Panel regional sessions described in the Preliminary Inquiry Schedule (Appendix 1 in Exhibit A-7). BC Hydro requires certainty around the timing of these workshops and sessions so that it can coordinate the scheduling of the second round of BC Hydro-led consultation with First Nations which are planned for the same time-frame.

For further information, please contact Sandra Jones at 604-623-4315.

Yours sincerely,

Joanna Sofield
Chief Regulatory Officer

Enclosure (1)

c. BCUC Project No.3698545 (Inquiry into British Columbia's Long-Term Transmission Inquiry) Registered Participants Distribution List.

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Mr. Bob Elton
President and Chief Executive Officer
BC Hydro
18th Floor, 333 Dunsmuir Street
Vancouver, BC V6B 5R3

Ms. Janet Woodruff
President
British Columbia Transmission Corporation
Suite 1100, Four Bentall Centre
1055 Dunsmuir Street
Vancouver, BC V7X 1V5

Dear Mr. Elton and Ms. Woodruff:

Under Section 5(4) of the *Utilities Commission Act* (UC Act), the British Columbia Utilities Commission (BCUC) must conduct an inquiry in order to make determinations regarding British Columbia's electricity transmission infrastructure and capacity needs.

On December 11, 2008, the Minister of Energy, Mines and Petroleum Resources ordered, under Section 5(6), a Terms of Reference for the inquiry requiring the BCUC to make the determinations regarding electricity transmission infrastructure and capacity needs for a 30-year period. The BCUC is to commence its inquiry by March 31, 2009 and is required under the Terms of Reference to publish its draft report on or before June 30, 2010. The Terms of Reference are posted online by the BCUC at http://www.bcuc.com. Furthermore, under Section 5(7) of the UC Act, the Minister may order a regulation that the BCUC may not, during a specified period, reconsider, vary or rescind a determination made as a result of the inquiry.

Under the Terms of Reference, the Minister has directed the BCUC to invite and consider submissions, evidence and presentations from any interested person, including First Nations. In order to inform the Minister's decision whether to order a regulation under Section 5(7) of the UC Act, the Minister will require information on related First Nations interests and

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Ministry of
Energy, Mines and
Petroleum Resources

Office of the
Deputy Minister

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Victoria
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concerns. As the Crown Corporation responsible for electricity generation and distribution in most of the Province, and as the owner of the transmission system planned and operated by the British Columbia Transmission Corporation (BCTC), I ask that BC Hydro undertake consultation with First Nations on the evidence and submissions presented to the BCUC by the BCTC and BC Hydro, as set out in the Terms of Reference for the Section 5 Inquiry.

As part of BC Hydro undertaking the responsibility for First Nations consultation, the following will be required:

1. BC Hydro, in discussion with the BCTC and FortisBC, will develop a First Nations consultation plan for review and further direction from the Ministry of Energy, Mines and Petroleum Resources (MEMPR) prior to implementation.

2. BC Hydro will submit to MEMPR a final First Nations consultation report no later than June 30, 2010 outlining First Nations interests and concerns regarding potential impacts of the generation and transmission scenarios proposed in the submissions. In addition, if BC Hydro and the BCTC later submit to the BCUC comments during the public review periods (this is reference to paragraph 12 of the Terms of Reference for the inquiry) that fall outside of the scope of the previous consultation with First Nations, then I ask that the relevant First Nations be consulted further and any additional interests and concerns be outlined in the report as an addendum. The report should describe the following:

    a. Which First Nations have been contacted/consulted – including certain umbrella groups (e.g., Okanagan Nation Alliance in addition to individual First Nations);
    b. What information was provided to the First Nations at various parts of the consultation process and the efforts made to consult First Nations, including when letters, follow-up phone calls, and meetings occurred;
    c. A list of concerns that First Nations identified and details regarding how the concerns were addressed; and
    d. The efforts made to follow up with First Nations to explain how their concerns were addressed in the evidence and submissions by the BCTC and BC Hydro to the BCUC.

3. BC Hydro's consultations will include the First Nations in FortisBC's service area, and FortisBC will be invited by BC Hydro to participate in all consultation sessions that occur with the First Nations that FortisBC has established relationships with. The consultation plan for these First Nations groups should be developed in discussions with FortisBC.

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The Minister will consider whether First Nations interests and concerns related to the transmission inquiry and the potential impacts of the BCUC's determination will require further consultation before making a decision to order a regulation under Section 5(7) of the UC Act. The MEMPR is not requesting BC Hydro to undertake consultation on the impact of the BCUC's determination at this time. However, I request BC Hydro undertake these consultations should they be required for the purposes of any decision the Minister may make regarding a regulation.

MEMPR staff will provide support and strategic guidance throughout the First Nations consultation process. In order to ensure that our respective agencies' staff has up-to-date information on the status of the First Nations consultation process and to ensure that they maintain the productive and effective communication throughout the process, I request you provide written updates to MEMPR staff every two weeks regarding the progress on the consultations and key issues.

Please contact Mr. Giovanni Puggioni, Executive Director, Aboriginal Relations Branch, at 250-952-0530, if you have questions regarding MEMPR expectations for First Nations consultation relating to the inquiry.

If you have any concerns, please let me know. Otherwise, it is our expectation that you will agree with the process we have outlined.

Yours truly,

Greg Reimer
Deputy Minister

pc: Mr. Doyle Sam
Vice-President
Engineering and Operations
FortisBC Inc.

Mr. Giovanni Puggioni
Executive Director
Aboriginal Relations Branch
Marketing, Aboriginal and Community Relations Division
Ministry of Energy, Mines and Petroleum Resources