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Hudson's Hope, BC
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April 12, 2011

Constance M. Smith
Assistant Commission Secretary
Sent on behalf of:
Ms. Erica M. Hamilton
Commission Secretary
British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Box 250
Vancouver, BC V6Z 2N3

Re: Request for Late Intervenor Status, BC Hydro 2012-2014
Revenue Requirement Hearing

Dear Ms Smith:

Thank you for your information regarding a request late intervener status. Please accept this letter as such a request.

Organization: Peace Valley Environment Association
Contact Persons: Gwen Johansson, Chair, Regulatory Committee
Ruth Ann Darnall, President
Request: This letter is a request for Late Intervener status
Reason: PVEA is centred in the Peace River area, the location of the WAC Bennett and Peace Canyon dams which are vital to the BC Hydro generating system. PVEA has intervened in BCUC hearings in the past in order to address issues relevant to the environs in and around the Peace River, Williston and Dinosaur reservoirs. We originally felt there was no role for PVEA at this particular hearing. However, in recent days, some developments have come to light which may affect BC Hydro's revenue requirements. For instance, we have become aware that two oil corporations have applied for withdrawal of 10,000 cubic meters of water per day from Williston Reservoir for extraction of natural gas from shale. Shale gas development is just beginning in the Peace watershed. Several other natural gas companies hold sub-surface rights in and around hydro reservoirs and the streams that drain into them, and these two applications for water withdrawal are expected to be just the first. Shale gas extraction requires enormous amounts of water, which is permanently removed from the water cycle. PVEA is interested in the implications of this development on water, on the BC Hydro operations in the Peace region and on

what, if any implications it might have on the need to develop new generation to compensate for that lost due to water removal from the reservoirs.

In addition, the province has recently indicated it will be acting to reduce the proposed rate increase, hinting at possible decommissioning of two small dams. Whatever happens to other generating facilities in the system has implications for the Peace watershed and for BC Hydro revenue requirements. If information becomes available, we may wish to explore and/or comment on the impact of this possible decommissioning on the generating system as a whole and on the need for revenue to compensate for lost generation.

Likelihood:

If this application for late intervener status is accepted, PVEA expects to be a non-active intervener in this hearing; however, we would like to reserve the right to file a submission if we feel we have something to contribute.

Thank you for considering this application. We look forward to hearing from you.

Yours truly,

Gwen Johansson, Chair
Regulatory Committee
Peace Valley Environment Association

Cc Ruth Ann Darnall