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April 17, 2012

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 (CPCN) for the Dawson Creek/Chetwynd Area Transmission (DCAT) Project
BC Hydro's Response to Exhibit A-26

Further to the BCUC letter of April 11, 2012, this letter identifies the Commission Panel (**CP**) and Round 3 Information Request (**IRs**) that BC Hydro believes are either out of scope, have been answered in Exhibit B-22, or otherwise are no longer relevant to the proceeding. BC Hydro confirms that it seeks to be relieved from any further obligation to respond to these questions in this proceeding. BC Hydro also believes that certain CP or Round 3 IRs were addressed in earlier material filed by BC Hydro as identified below and also seeks to be relieved from a requirement to provide further answers to those questions. While BC Hydro appreciates that some aspects of some of the answered CP or Round 3 IRs identified below may not be fully addressed, BC Hydro believes that when taken as a whole, Exhibit B-22 and any other responses referenced in this letter provide sufficient information to eliminate the need for further written exchange on those aspects of the evidence.

BC Hydro is prepared to answer any remaining CP or round three IRs not referenced in this letter as part of a final round of responses. However, BC Hydro requests that the party issuing these IRs be required to confirm that it still requires responses to them in light of the supplemental material filed by BC Hydro on March 23, 2012 (**March 23rd Letter**) and the BCUC's final ruling in relation to scope arising out of the procedural conference.

As set out below a significant percentage of the in-scope CP and Round 3 IRs have been answered in the Supplemental Evidence (**SE**). Accordingly, there have effectively been three rounds of IRs and BC Hydro does not think that the time and expense associated with a fourth round is warranted. However, if the BCUC believes further written responses would still be constructive, BC Hydro proposes that a final round of

IRs be restricted to covering requests relating to the material filed on March 23, 2012, to any IRs to which BC Hydro has not objected in this letter and to which the party issuing the request still requires an answer, and to IRs to which BC Hydro's objection as set out in this letter has been overruled by the BCUC after the procedural conference. BC Hydro requests that the timetable conform as closely as practicable to the timeline set out in the March 23rd Letter. If on the other hand the BCUC agrees with BC Hydro that a final round of IRs is not necessary, then BC Hydro submits that the proceeding should either proceed to written submissions, or if the BCUC believes an oral hearing is required, proceed straight to oral hearing.

IRs which BC Hydro believes are out of scope or already answered in the Supplemental Evidence (Exhibit B-22) or Application updates (Exhibit B-1-3) filed March 23, 2012.

CP IRs

CP IR 1.1.1

This series of IRs all relate to the terms under which transmission voltage customers will be served under TS 6. To the extent sub questions CP IR 1.1.1.1 to 1.1.1.4 and CP IR 1.1.6 relate to the manner in which the tariff has been applied in this or previous cases, BC Hydro has provided a full response in its SE Questions 106 and 107. To the extent these questions contemplate a discussion of the policy underlying TS 6, BC Hydro submits they are out of scope for the reason elaborated in the March 23rd Letter, pages 3 to 5.

CP IR 1.1.2

This question is addressed in SE Questions 115, 116, and 120.

CP IR 1.1.3

This question is addressed in SE Questions 117 to 121.

CP IR 1.1.4

This question is addressed in SE Questions 101, 102 and 118.

CP IR 1.1.5

This question is addressed in SE Questions 120 to 122.

CP IR 1.1.6

This question is addressed in SE Question 97.

CP IR 1.1.7

This question is addressed in SE Question 112.

CP IR 1.2.1

This question is addressed in SE Question 9.

CP IR 1.2.2

BC Hydro considers this question out of scope. BC Hydro does not claim to be expert on all gas areas worldwide and has made no statement suggesting an expertise in that regard in the evidence referenced in the question. BC Hydro has not conducted the inquiry that is contemplated in the question and does not believe that it is appropriate to inquire into the choices made by its customers for the reasons expressed in the March 23rd Letter at page 5 under the heading End Use Rates.

CP IR 1.3.1

BC Hydro has set out its understanding of the relevance of BC's Energy's objectives as stipulated in the *Clean Energy Act* (**CEA**) at pages 7 and 8 of the March 23rd Letter under the heading BC Energy Objectives. It has no further evidence to offer in connection with that issue.

CP IR 1.3.2

The response to BCUC IR 1.35.1 referenced in this question indicates that the referenced energy objective will be discussed in the IRP process which is currently under way and will result in the submission of the IRP to Cabinet by the end of 2012. For the reasons discussed in the March 23rd Letter under the BC Energy Objectives heading, any further discussion of this question is better left to that process.

CP IR 1.3.3

Please refer to the comments above with respect to CP IR 1.3.2.

CP IR 1.3.4

These series of questions will be better considered in the IRP process for the reasons set out in the March 23rd Letter under the BC Energy Objectives heading on pages 7 and 8.

CP IR 1.3.5

BC Hydro provided a high level assessment of the impact of the DCAT project on energy objectives 2(g), 2(h) and 2(k) in section 2.6.1 of Exhibit B-1. BC Hydro does not

believe that the DCAT project will have a material impact on any of the other BC energy objectives.

CP IR 1.4.1

BC Hydro has provided updated information with respect to its electricity forecast for the DCAT area in SE Questions 58 to 60. BC Hydro does not have any additional relevant information in connection with the issues raised in these questions.

CP IR 1.4.2

This IR is out of scope for the reasons provided above in connection with CP IR 1.2.2.

CP IR 1.5.1

BC Hydro has provided its views in connection with this issue in the March 23rd Letter on pages 2 to 7.

CP IR 1.5.2

This question was addressed in SE Question 106.

CP IR 1.5.3

This question is addressed in the March 23rd Letter under the heading N-1 Operating Criterion at pages 6 and 7, and elaborated on in SE Question 92.

CP IR 1.5.4

This issue can better be addressed in the IRP process for the reasons set out under the heading BC Energy Objectives on pages 7 and 8 of the March 23rd Letter.

BCUC Staff IRs

BCUC IR 3.2.1

The project alternative to which this IR refers is addressed in SE Questions 72, 78 and 91, along with a number of other alternatives.

BCUC IR 3.3.1

This question is addressed in SE Questions 88 to 91, and 108.

BCUC IR 3.3.1.1

This question is addressed in SE Questions 14, 28, 33, 50, 88 to 91, and 108.

BCUC IR 3.3.2

This question is addressed in SE Question 50.

BCUC IR 3.4.1

The discussion sought in this IR is largely covered in the alternatives considered in SE Questions 72, 81 and 91. This evidence was tendered to provide a discussion of alternative transmission configurations that appear to BC Hydro to be the most worthy of consideration as alternatives to DCAT.

BCUC IR 3.5.1

The discussion sought in this IR series is largely covered in the alternatives considered in SE Questions 72, 79, 80 and 91. This evidence was tendered to provide a discussion of alternative transmission configurations that appear to BC Hydro to be the most worthy of consideration as alternatives to DCAT.

BCUC IR 3.5.1.2

The discussion sought in this IR series is largely covered in the alternatives considered in SE Questions 72, 79, 80 and 91. This evidence was tendered to provide a discussion of alternative transmission configurations that appear to BC Hydro to be the most worthy of consideration as alternatives to DCAT.

BCUC 3.5.1.5

The discussion sought in this IR is largely covered in the alternatives considered in SE Questions 72, 79, 80 and 91. This evidence was tendered to provide a discussion of alternative transmission configurations that appear to BC Hydro to be the most worthy of consideration as alternatives to DCAT

BCUC IRs 3.7.1 to 3.7.3

This series of questions seeks information on the 2009 and 2010 load Forecasts. The SE section 3 (pages 22 to 34) contains an updated DCAT regional load forecast as of December 2011, rendering the earlier forecasts obsolete. BC Hydro submits that questions relating to those historical forecasts are no longer directly relevant since BC Hydro now relies on its most current forecast.

BCUC IR 3.8.1

BC Hydro’s rationale for treating customers in the Dawson Creek area in the same manner it treats its other customers is fully set out in the March 23rd Letter. BC Hydro also addresses the relationship between the cost of energy associated with load that will be served through the DCAT Project and CEA Energy Objective 2(f) at page 8 of the

March 23rd Letter. The remaining aspects of BCUC IR 3.8.1 are addressed in SE Questions 65 to 70 which discuss how the legislated self-sufficiency definition changes have changed BC Hydro's cost of energy and the relevance of the cost of energy when assessing transmission projects (and the generation alternatives presented in the SE).

BCUC IR 3.8.4.1

BC Hydro's basis for objecting to questions relating to the planning practices it employs is set out at page 7 and 8 of the March 23rd Letter under the BC Energy Objectives heading.

BCUC IRs 3.8.4.2 and 3.8.4.3

BC Hydro's basis for objecting to cost allocation and a future rate design application is set out at pages 5 and 6 and pages 8 and 9 of the March 23rd Letter.

BCUC IR 3.9.1

This IR is addressed in SE Questions 5, 10, 23, 37, 44, 52, 98, 99, 101, and 109 to 113.

BCUC IR 3.9.1.1

The impact of cancelling the Montney Basin projects on the DCAT Project is addressed in SE Questions 59 to 61.

BCUC IR 3.10.1

The 2010 Forecast has been supplanted by the December 2011 Forecast and thus any attempt at cross referencing is not relevant.

BCUC IRs 3.10.2 and 3.10.3

BC Hydro has addressed the role of local natural gas fired generation as an alternative to the DCAT Project at SE Questions 83 to 90. For the reasons set out in the March 23rd Letter, BC Hydro submits that this proceeding ought not to be used to investigate issues that are better considered in the IRP process.

BCUC IR 3.12

BC Hydro believes that a discussion of the principles behind the N-1 standard is beyond the scope of this proceeding as discussed in the March 23rd Letter at pages 6 and 7 and objects to questions BCUC IRs 3.12.1 and 3.12.3. BCUC IR 3.12.2 is addressed in SE Question 92.

BCUC IR 3.13

BC Hydro believes this series of questions is out of scope for the reasons set out at pages 5 and 6 of the March 23rd Letter under the Postage Stamp Rates heading.

BCUC IR 3.15.1

This IR is addressed in SE Questions 11, 13, and 93.

BCUC IR 3.15.2

The extent of BC Hydro's knowledge in connection with the answer to this question is addressed in SE Question 13.

BCUC IR 3.15.3

This series of questions is addressed in SE Question 13 and 14.

BCUC IRs 3.16.1 to 3.16.4

This series of IRs are addressed in SE Question 93.

BCUC IR 3.16.5

This IR is addressed in SE Questions 92 to 95.

BCUC IRs 3.17.1 and 3.17.2

These IRs are addressed in SE Questions 93 and 94.

BCUC IR 3.17.3

This IR is addressed in SE Question 11.

BCUC IR 3.17.3.1

This IR is addressed in SE Questions 11 and 93 to 94.

BCUC IR 18.1

BC Hydro's explanation of its obligation under the N-1 standard is set out at page 7 of its March 23rd Letter. The evidence relevant to the application of that standard to the DCAT area is set out in SE Questions 92 to 96. Taken together, these references are a complete response to this IR.

BCUC IR 3.19.1

This IR is addressed in SE Question 115 in combination with SE Questions 17, 18, 25, 26, 30, 31, 39, and 46.

BCUC IR 3.19.2

This series is addressed in SE Question 115.

BCUC IR 3.20.1

This IR is addressed in SE Question 113. The P50 cost estimate is stated at section 4.7 of the Application (updated in Exhibit B-1-3).

BCUC IR 3.21.1

This series is addressed fully in SE Questions 110, 113 and 120.

BCUC IR 3.22.1 to 3.22.3

This series of IRs is addressed in SE Questions 113, 115 and 116.

BCUC IR 3.23.1

This IR is addressed in SE Question 93.

BCUC IR 3.25.1

This IR is addressed in SE Questions 101 to 103.

Intervener IRs

AMPC IR 3.1.1

This IR is addressed in SE Question 92.

AMPC IR 3.1.2

This IR is addressed in SE Question 92 and the March 23rd Letter at page 7 under the N-1 Operating Criterion heading.

AMPC IRs 3.1.3 and 3.1.4

These IRs are addressed in SE Questions 97 and 101 and discussed further in the March 23rd Letter under the TS 6 heading.

AMPC IR 3.2.5

This IR is addressed in SE Questions 106, 107, 110 and 114.

AMPC IR 3.2.6

This IR is out of scope because the NTL project is not in issue in this proceeding.

AMPC IR 3.2.7

This IR is addressed in SE Questions 97 and 106. To the extent the IR seeks speculation about a hypothetical example, BC Hydro objects to the questions.

BCOAPO IR 3.2.1

This IR is addressed in SE Questions 13 and 93 to the extent that there is responsive evidence available.

BCOAPO IR 3.3.1

BC Hydro objects to this question for the reasons set out in the March 23rd Letter at page 7 under the heading End Use Rates.

BCOAPO IRs 3.4.1 to 3.4.3

A full description of alternatives considered by BC Hydro is provided at SE Questions 72 to 91.

BCOAPO IRs 3.5.1 to 3.5.3

All parts of this IR are addressed in SE Question 11.

BCOAPO IR 3.7.1

This IR is addressed in SE Question 67.

BCOAPO IR 3.8.1

This IR is addressed in SE Questions 67 to 69.

BCSEA IR 3.33.1

BC Hydro's views with respect to tariff amendments being considered in this proceeding are set out in the March 23rd Letter at page 2.

BCSEA IR 3.33.2

BC Hydro has set out its objections to investigating the use to which the electricity will be put in the context of this application in the March 23rd Letter at page 5 under the heading End Use Rates. BC Hydro has outlined the efforts it has made to introduce its new customers to its power smart programs in SE Questions 19, 27, 32, 41 and 51

BCSEA IR 3.33.3

BC Hydro submits this IR is out of scope for the reasons generally described in the March 23rd Letter, and in response to BCSEA IR 3.33.2 above.

CEA IRs 3.1.1 to 3.1.4

BC Hydro has already provided information about the potential for GHG emission reductions through electrification. To the extent that this series seeks information about overall GHG emissions from the gas industry in various regions, rather than the DCAT Project's anticipated impact on GHG emissions, this series is not relevant to this proceeding.

CEA IRs 3.2.1 to 3.2.3

The relevance of the cost of energy to this proceeding is limited to those matters discussed in SE Questions 65 to70. BC Hydro does not believe this proceeding is the appropriate forum in which to consider the issues addressed in this series of questions.

CEA IR 3.3.4

This IR is addressed in SE Questions 100, 108, 109, and 122.

CEA IR 3.3.5

This IR is out of scope for the reasons provided above in connection with CP IR 1.2.2.

CEA IR 3.3.6

This IR is out of scope for the reasons provided above in connection with CP IR 1.2.2.

CEA IR 3.3.7

This IR is out of scope for the reasons provided above in connection with CP IR 1.2.2.

CEA IR 3.3.12

This IR is out of scope for the reasons provided above in connection with CP IR 1.2.2.

CEC IR 3.1.1

This IR is addressed in Appendix B (pages 40 and 51 of 100) of Exhibit B-1.

CEC IRs 3.1.2 to 3.1.5

This series of IRs is addressed in SE Question 93. CEC IR 3.1.5 is further addressed in SE Questions 103 and 120. To the extent that this IR asks for quantification of the costs that are to be borne solely by the customer (e.g., customer's substation and customer's transmission line) it is not relevant to this proceeding.

CEC IR 3.2.1 to CEC IR 3.2.16

The topics raised by this series of IRs are generally addressed in SE Questions 72 to91. The alternatives reviewed there are more than sufficient to identify the analysis BC Hydro has conducted with respect to each issue in the context of each system component referenced in this series of IRs. BC Hydro therefore objects to providing any more information in connection with these questions.

CEC IR 3.2.5

This sub-IR is also addressed in SE Questions 103 and 120. To the extent that this IR asks for quantification of the costs that are to be borne solely by the customer (e.g., customer's substation and customer's transmission line) it is not relevant to this proceeding.

CEC IR 3.3.1

This IR is addressed at SE Questions 19, 27, 32, 41, and 51.

CEC IR 3.3.2

This IR is addressed at SE Question 12.

CEC IR 3.3.3

This IR is addressed at SE Questions 19, 27, 32, 41, and 51.

CEC IR 3.3.4

This IR is out of scope for the reasons provided above in connection with CP IR 1.2.2.

CEC IR 3.3.5

This IR is addressed at SE Questions 19, 27, 32, 41, 51.

CEC IR 3.3.6

This IR is addressed at SE Questions 19, 27, 32, 41, 51.

CEC IR 3.3.7

This IR is addressed at SE Questions 22, 31, 35, 36, 44, 46.

CEC IR 3.3.11 to CEC IR 3.3.13

These IRs do not appear to have any direct relationship with the DCAT Application and are therefore out of scope. This proceeding is not an appropriate forum in which to discuss BC Hydro's general approach to Voltage Var optimization.

CEC IR 3.3.14

This IR is addressed at SE Questions 19, 27, 32, 41 and 51.

CEC IR 3.3.15

To the extent this IR is addressing the specific steps taken by BC Hydro to minimize the needs of each customer, please see SE Questions 19, 27, 32, 41 and 51. To the extent the question seeks more general information relating to BC Hydro's system operations as whole, it is out of scope.

CEC IR 3.3.16

To the extent this IR is addressing the specific steps taken by BC Hydro to minimize the needs of each customer, please see SE Questions 19, 27, 32, 41 and 51. To the extent the question seeks more general information relating to BC Hydro's system operations as whole, it is out of scope.

CEC IR 3.4.1

This IR is addressed at SE Question 12.

CEC IR 3.4.3

This IR is addressed at SE Question 12.

CEC IR 3.5.1

This IR is addressed at SE Questions 19, 27, 32, 41 and 51.

CEC IR 3.6

The relevance of the cost of energy to this proceeding is limited to those matters discussed in SE Questions 65 to 70. BC Hydro objects to the multitude of questions addressed to that issue in the balance of the CEC IR 3.6 series of IRs because the level of detail requested is out of proportion to the relevance of the issues as described in that evidence. Where applicable, BC Hydro provides a cross reference to the SE Question where there is information relating to some of the sub-IRs in this series

CEC IR 3.6.2

This IR is addressed at SE Question 67.

CEC IR 3.6.12

This IR is addressed at SE Questions 67 to 69.

CEC IR 3.7

The relevance of the cost of energy to this proceeding is limited to those matters discussed in SE Questions 65 to 70. BC Hydro objects to the questions addressed to that issue in the CEC IR 3.7 series of IRs because the level of detail requested is out of proportion to the relevance of the issues as described in that evidence.

CEC IR 3.8

The relevance of the cost of energy to this proceeding is limited to those matters discussed in SE Questions 65 to 70. BC Hydro objects to the questions addressed to that issue in the CEC IR 3.8 series of IRs because the level of detail requested is out of proportion to the relevance of the issues as described in that evidence.

CEC IR 3.9

The relevance of the cost of energy to this proceeding is limited to those matters discussed in SE Questions 65 to 70. BC Hydro objects to the questions addressed to that issue in the CEC IR 3.9 series of IRs because the level of detail requested is out of proportion to the relevance of the issues as described in that evidence.

CEC IR 3.10.5

This IR is addressed at SE Questions 72, and 82 to 91.

CEC IR 3.11

The relevance of the cost of energy to this proceeding is limited to those matters discussed in SE Questions 65 to 70. BC Hydro objects to the questions addressed to

that issue in the CEC IR 3.11 series of IRs because they are out of proportion to the relevance of the issues as described in that evidence.

CEC IR 3.12.2

The relevance of the cost of energy to this proceeding is limited to those matters discussed in SE Questions 65 to 70. BC Hydro objects to this question because the level of detail requested is out of proportion to the relevance of the issues as described in that evidence.

CEC IR 3.12.3

The relevance of the cost of energy to this proceeding is limited to those matters discussed in SE Questions 65 to 70. BC Hydro objects to this question because the level of detail requested is out of proportion to the relevance of the issues as described in that evidence.

CEC IR 3.13.1

This IR is addressed at SE Questions 72 and 82 to 91.

CEC IR 3.14.1

This IR is addressed at SE Questions 103 and 120.

CEC IRs 3.15.1 and 3.15.2

These IRs are addressed at SE Question 50.

CEC IR 3.16

This series of IRs are all based on an incorrect cross reference. The answer quoted was given in response to BCUC IR 2.1.4.1. BC Hydro's specific position on the sub-questions follows.

CEC IR 3.16.1

This IR is addressed at section 2.2 of Appendix B, Exhibit B-1.

CEC IR 3.16.2

This IR is addressed at SE Questions 20, 28, 33, 40 and 50.

CEC IR 3.16.3

BC Hydro's basis for not discussing power purchase arrangements with existing customers is set out in the March 23rd Letter at pages 2 and 3.

CEC IR 3.16.5

This IR is out of scope and is overly broad in that it seeks burdensome detail of programs unrelated to DCAT and a response is not warranted in this proceeding.

CEC IR 3.16.6

This IR is addressed at SE Questions 72 and 82 to 91.

CEC IR 3.16.7

In light of the requirement that BC Hydro meet the N-1 standard as described in the March 23rd Letter at pages 6 and 7 and SE Questions 92 to 96, BC Hydro considers this question out of scope.

CEC IR 3.16.8

This IR is addressed at SE Questions 72 and 82 to 91.

CEC IR 18.1

Most if not all components of BC Hydro's revenue requirement change over time. No basis has been established for inquiring into the particular characteristics of WACC in connection with the DCAT Project.

CEC IR 19.1

This IR is addressed in SE Questions 65 to 70.

CEC 3.20.1

This IR is addressed at SE Questions 7, 16, 24, 29, 30, 38, and 45.

CEC IR 3.20.2

This IR is addressed at SE Questions 16 to 18, 24 to 26, 29 to 31, 38 to 40 and 45 to 46.

CEC IR 3.20.3

BC Hydro's discussions with government are not relevant to this proceeding except as they relate to possible alternative processes to consider BC Hydro rate design or planning issues. BC Hydro does not rely on government discussions as the basis for serving its load in the DCAT area.

COPE IR 3.1

In so far as this series of IRs inquire about conversations or discussion with customers, they are partially addressed at SE Questions 16 to 18, 24 to 26, 29 to 31, 38 to 40 and 45 to 46. BC Hydro does not believe that any basis has been provided for the cost and expense that would be incurred to undertake the extensive and burdensome inquiry that would be necessary to provide the backup information regarding these communications that have been requested by COPE.

In closing, BC Hydro notes that it has given a comprehensive position relating to all outstanding IRs to which it objects to proving further responses. BC Hydro is willing to provide additional information in response to any IR not specifically referenced in this letter, if requested or ordered to do so.

BC Hydro asks that in their April 24, 2012 submissions, interveners be required to provide the basis of their position with respect to any IR for which they continue to seek additional response from BC Hydro so that all parties may adequately prepare for the Procedural Conference. BC Hydro also asks that BCUC counsel be required to do the same with respect to all BCUC staff and CP IRs for which further responses are sought in order to preserve efficiency of the Procedural Conference.

For further information, please contact Geoff Higgins at 604-623-4121 or by e-mail at bchydroregulatorygroup@bchydro.com.

Yours sincerely,

(for) Janet Fraser
Chief Regulatory Officer

gh/ma

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