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May 16, 2003

Mr. Ray Aldeguer,  
Senior Vice President  
BC Hydro and Power Authority  
333 Dunsmuir St., 17<sup>th</sup> Floor,  
Vancouver, B.C.  
V6B 5R3

Re: Heritage Contract, Stepped Rates and Transmission Access Proposal

Dear Sir:

I have the following information requests regarding the above noted Proposal:

1. -The 'Energy Task Force Report' calls for a 10 year Heritage Contract with prices moving gradually to the market rate by the end 10 years.  
-The 'Energy for our Future: A Plan for BC' book states on page 26, "The heritage contract will essentially lock in the value of existing low-cost generation assets for an extended period of time."  
-The May 13 workshop indicated that BC Hydro's position in this proposal was essentially that the Heritage assets would remain as they are, regulated by the BCUC with the rates reflecting the actual costs of power generation.

Will BC Hydro clearly state that no move towards market rates (not caused by legitimate costs) for the heritage power is contemplated either now or in the future?

2. What is the purpose of having a 10 year duration of the heritage contract?
3. Would BC Hydro have any objection to the Heritage Generation Assets remaining regulated under the BCUC in a fashion that other private utilities are regulated and dispense with the time constraint of the Heritage Contract?

4. The BC Hydro use of a production figure of 49,000 GWH of power per year from the heritage assets seemed to cause some confusion at the workshop. The system operates now with the uncertainty of water flows, demands, etc. Is there a problem with simply stating that the value of all power produced by the Heritage Assets will go to the Heritage Beneficiaries, either in kind or trade? Would this not provide needed flexibility in the future?
5. In Volume 1, item 3.2.1, page 19, it states "BC Hydro is recommending that the Heritage Contract provide for a maximum energy supply obligation, subject to force majeure, of 49,000 GWh per year (the Heritage Energy)." What is the minimum amount of energy that guaranteed to be supplied under the Heritage Contract?
6. Please provide a summary of the treaties and agreements listed in schedule A, items 6 through 11, page 6 of Appendix A, Volume 1 of 2. What are the costs, benefits, duration, expected renewal, etc.
7. In planning for the future, BC Hydro has been investigating new generation facilities. Please list the top 3 projects (lowest cost power first) with size of plant, yearly output, projected cost of power at the grid.
8. Please explain how ratepayers can be assured the lowest cost power in the future when BC Hydro Generation will not be able to bid on building and owning new power supply facilities.
9. Please explain how if all new supplies of power are to be contracted to the private sector, companies which would have the ability to switch the recipient of their power upon completion of a contract, aids in the security of power for the BC Hydro system.
10. How long has BC Hydro been able to sell power to the US?
11. How long has BC Hydro been selling power to the US?
12. What has been the net import/export imbalance in dollars and gigawatts for each year BC Hydro has sold power to the US?
13. Please provide the range for power prices (\$/MWh) in the last year, for high load hours, at which Powerex has sold BC Hydro power into the US market.
14. Under "Open Access", private companies are able to sell power generated in BC to the US or BC industrial customers. How many generation companies are presently engaged in selling power transmitted over BC Hydro lines to third parties?

15. What is the total yearly revenue BC Hydro receives from other companies using Hydro's transmission lines in the last couple of years?
16. Roughly what would be the book value of assets of BC Transmission when that company is created?
17. Would a BCUC Hearing be required to review the setup of BC Transmission and to approve its rate structure?
18. Is the concept of a stepped rate for large industrial customers cast in stone come hell, high water or common sense?
19. How many industrial customers would be affected by a stepped rate?

I look forward to your replies to these information requests.

Sincerely yours,

Alan Wait