



Richard Stout
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06 January 2005

Mr. Robert J. Pellatt
Commission Secretary
British Columbia Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Pellatt:

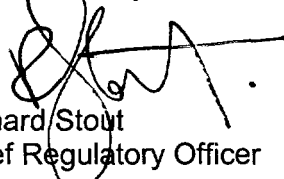
**RE: British Columbia Hydro and Power Authority (“BC Hydro”)
Call for Tenders for Capacity on Vancouver Island Review of Electricity
Purchase Agreement
Project No. 3698354**

We enclose the direct evidence of BC Hydro in connection with this proceeding.

BC Hydro plans to lead this evidence in four panels and the primary purpose of the enclosed testimony is to identify the members of the various panels. In addition, there is brief summary evidence from BC Hydro’s policy witness, an overview of the entire CFT and cost-effectiveness review process from Ms. Hemmingsen in her role as BC Hydro’s Manager of Power Planning and Portfolio Management, some specific information on recent developments relating to gas transportation costs from Mr. Simpson, and some perspectives from the principal members of the Independent Reviewers team.

We trust that this evidence will assist the Commission and other parties in preparing for the hearing.

Yours sincerely,



Richard Stout
Chief Regulatory Officer

Enclosure (20)

c. Registered Intervenors in Project No. 3698354