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September 29, 2006

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 Utilities Commission (BCUC)  
Project No. 3698419  
British Columbia Hydro and Power Authority (BC Hydro)  
F2006 Integrated Electricity Plan (IEP) and Long-Term Acquisition Plan (LTAP)**

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Enclosed as Exhibit B-17, are BC Hydro's responses to BCUC Information Request (IR) Round 4 and Intervenor IR Round 3.

BC Hydro takes this opportunity to raise the following:

**1. Motion Concerning F2006 Call Report:** In his letter of September 26, 2006 (Exhibit C25-9), counsel for Sierra Club of Canada (B.C. Chapter), B.C. Sustainable Energy Association and Peace Valley Environmental Association (SCCBC) requests that the Report on the F2006 Call for Tender Process Conducted by BC Hydro dated August 31, 2006 (the F2006 Call Report) be filed in both the 2006 IEP/LTAP and the F07/F08 Revenue Requirements Application (RRA) proceedings. In addition, counsel for the BC Old Age Pensioners Organization (BCOAPO) has requested that BC Hydro file the F2006 Call Report in the 2006 IEP/LTAP proceeding pursuant to BCOAPO IR 3.22.1.

While it is BC Hydro's initial position that most of the F2006 Call Report is not relevant to either the 2006 IEP/LTAP or the F07/F08 RRA proceeding, BC Hydro has not yet had an opportunity to formally respond to the motion, and the BCUC has not yet ruled on the motion. Accordingly, BC Hydro is not prepared to file a copy of the F2006 Call Report in the 2006 IEP/LTAP proceeding at this time.

BC Hydro notes that it has provided the following relevant F2006 Call-related information in the referenced IR responses:

- **Pricing:** As set out in the response to BCUC IR 4.451.1, BC Hydro is in the process of developing the F2006 Call reference price, which will be used for comparing future acquisitions, and will provide this reference price by the end of October 2006. The F2006 Call reference price, together with indicative mid-point, plant gate and adjusted bid price information provided in the responses to BCUC IRs 4.444.1 and 4.451.1, are the relevant F2006 Call pricing information for purposes of the 2006 IEP/LTAP proceeding. F2006 Call non-firm energy pricing information is set out in the response to BCUC IR 4.430.5.3.



- **Attrition Allowance:** BC Hydro has provided F2006 Call-related and other attrition information in the responses to BCUC IRs 4.430.1, 4.430.3, 4.430.4, 4.431.1.1, 4.437.2, 4.438.1 and 4.438.8. The response to BCUC IR 4.438.1 confirms the 23% allowance used in the F2006 Call Report.
- **Outage Allowance:** The response to BCUC IR 4.430.6 confirms the 7% outage allowance used in the F2006 Call Report. The response to BCUC IR 4.431.1.2 discusses the outage adjustment.
- **Dependable Capacity:** The response to BCUC IR 4.438.1 provides BC Hydro's estimate of the dependable capacity associated with the F2006 Call.
- **Load/Resource Gap and Non-Firm Energy:** The responses to BCUC IRs 4.430.5.2 and 4.430.5.4 contain information concerning the F2006 Call non-firm energy volume, and how that energy has been factored into a revised energy load/resource balance analysis.
- **50% BC Clean Electricity:** The responses to BCOAPO IRs 3.8.3 and 3.8.4 confirm that the 2002 BC Energy Plan's 50% BC Clean Electricity target was not a constraining factor in the F2006 Call awards.

Counsel for BC Hydro has contacted counsel for SCCBC concerning Exhibit C25-9. The two counsel have agreed to speak next week concerning the motion, after counsel for SCCBC has had an opportunity to review the enclosed IR responses and determine whether to pursue the motion in light of those responses. If counsel for BC Hydro and counsel for SCCBC are unable to arrive at a solution by the end of next week, BC Hydro will file a formal written reply to Exhibit C25-9.

**2. Revised Capacity Load/Resource Balance:** In its response to BCUC IR 4.438.1, BC Hydro has amended Table 8-3, Figure 8-3 and Figure 8-4 of the LTAP. Table 8-3, Figure 8-3 and Figure 8-4 present the capacity load/resource balance after successful implementation of the LTAP. BC Hydro will issue a formal amendment to the LTAP on Tuesday, October 3, 2006 which will reflect the response to BCUC IR 4.438.1.

Yours sincerely,



Joanna Sofield  
Chief Regulatory Officer

Attachment (1)

c. Project No. 3698419 - Intervenors