

VANCOUVER ISLAND – CALL FOR TENDERS

ADDENDUM

Addendum Number: 12

Date of Issue: 21 April 2004

Subject: **Preliminary Form Agreements**
Gas-fired Generation
Final Comments on Preliminary Form Agreements
CFT Schedule Revised

1. This Addendum is issued pursuant to the BC Hydro Call for Tenders for Capacity and Associated Energy on Vancouver Island, issued 31 October 2003, as amended (the “CFT”).
2. Words and phrases defined in the CFT and used herein have the meanings given in the CFT. Refer to Appendix 1 of the CFT for definitions.
3. ***Preliminary Form Agreements:*** The Preliminary Form Agreements, consisting of the Preliminary Form EPA and the Preliminary Form VIGP Transfer Agreement, have been revised to reflect the impact of prior Addenda and other matters. The revised agreements are issued with this Addendum, in the case of the Preliminary Form EPA in clean and black lined form, and in the case of the Preliminary Form VIGP Transfer Agreement, which includes new closing documents, in clean form only.
4. ***Gas-fired Generation:*** Section 9 of Addendum 10 revised section 6.2 of the CFT and set out 3 options relative to fuel risk allocation for gas-fired tolling plants: Option #1 – No Tolling, Option #2 - Full Tolling, and Option #3 – Partial Tolling/Commodity Only, details of which are set out in Addendum 10 and further detailed in the Preliminary Form EPA issued with this Addendum. Section 9 of Addendum 10 contemplated that bidders intending to tender gas-fired capacity and associated energy would make, not later than 7 May 2004, an irrevocable election of the option selected. A Gas-fired Fuel Risk Allocation Election Form (“Election Form”) is issued with this Addendum. Addendum 11 referenced a Full Tolling Option Designation and Information Form (“Full Tolling Information Form”), which was issued with that Addendum. **All bidders intending to tender gas-fired generation must elect Option #1, Option #2 or Option #3 by submitting a completed and signed Election Form on or before 7 May 2004. In addition bidders who elect Option #2 – Full Tolling, must also complete and submit the Full Tolling Information Form with their Election Form. Any bidder required to submit an Election Form that fails to do so on or before 7 May 2004 will be deemed to have elected Option #1 – No Tolling. All elections, whether made by timely submission of an Election Form, or deemed to be made as aforesaid, are irrevocable and may not be changed after 7 May 2004.**
5. ***Final Comments on Preliminary Form Agreements:*** Pre-qualified bidders will be announced on date shown in the CFT Schedule (currently 30 April 2004). Pre-qualified bidders may submit final comments on the Preliminary Form Agreements not later than the date shown on the CFT Schedule (currently 21 May 2004), following which BC Hydro will issue the Final Form Agreements in accordance with the CFT Schedule (currently 11 June 2004). Word versions of the Preliminary Form Agreements and a Document Comment Form, consisting of a Bidder Information Sheet and Comment Sheet, are issued with this Addendum. Bidders must be specific in their comments. Bidders are strongly

encouraged to utilize “Track Changes” or similar comparison software to show specific requested changes to contractual text in the Word versions of the Preliminary Form Agreements. Bidders must use the Document Comment Form to submit other specific comments in respect of the Preliminary Form Agreements that are not contractual text changes. The Document Comment Form is designed so that bidder comments can be separated from the identity of the bidder, allowing bidder comments to be considered without attribution to the bidder. BC Hydro will consider all requested contractual text changes and other comments submitted, without regard to the Bidder Information Sheet, and the Final Form Agreements may reflect some or all bidder comments, as BC Hydro determines. Bidders who wish their comments to be considered without attribution are responsible for avoiding disclosure of their identity on redlined Preliminary Form Agreements and framing their other comments in the Comment Sheet in such a way that the bidder cannot be identified. **BC Hydro will consider only those comments submitted in proper form by pre-qualified bidders on or before the date specified in the CFT Schedule (currently 21 May 2004).**

6. ***CFT Schedule Revised:*** Bidders are advised that the CFT Schedule has been revised to defer the issuance of certain revised CFT Appendices (which will reflect the terms of the revised Preliminary Form EPA), the Quantitative Evaluation Methodology, Tender Spreadsheet, Portfolio Spreadsheet, and associated User’s Manual. This Addendum includes the CFT Schedule, revised 21 April 2004 posted herewith.

7. Bidders are reminded that in accordance with section 1 of the CFT, documents bearing the latest issue date govern. Accordingly, the Preliminary Form Agreements issued with this Addendum supersede and cancel any conflicting provisions of the CFT, including any prior Addenda and/or other documents issued pursuant thereto.

8. The following documents referenced herein are issued concurrently with this Addendum and are available at <http://www.bchydro.com/vicft>.

- Preliminary Form EPA (clean and blacklined PDF and clean Word)
- Preliminary Form VIGP Transfer Agreement (clean PDF and clean Word)
- Gas-fired Fuel Risk Allocation Election Form (Word Form Field-Protected)
- Document Comment Form (consisting of a Bidder Information Sheet and Comment Sheet) (Word Form Field-Protected)
- CFT Schedule (PDF)