

### Assessment of VIGP Market and Salvage Value

Cost Item	BCH Costs				Assumed Market Value	Assumed Salvage Value
	Direct	Corporate OH	IDC	Total		
Gas Turbine	27,201,772	544,035	3,767,875	31,513,682	0	
Steam Turbine	24,846,085	496,922	1,385,993	26,729,000	25,343,007	12,423,043
Land	1,667,691			1,667,691	1,667,691	1,667,691
Regulatory/Permitting/DBM/ Site Selection/FN Benefit Agt/ Water & Sewage Agts	4,624,215	92,484	464,403	5,181,102	4,716,699	
Interconnection Study	137,841	2,757	2,863	143,461	140,598	
Development Fee					18,132,005	
<b>Total</b>	<b>58,477,604</b>	<b>1,136,198</b>	<b>5,621,134</b>	<b>65,234,936</b>	<b>50,000,000</b>	<b>14,090,734</b>

Notes:

1. Costs as of July, 2003
2. Assumed market values if project developed based on BC Hydro direct costs + corporate overheads
3. Assumed salvage value if project not developed based on sale of steam turbine at 50% of its direct cost and sale of Duke Point site.
4. Assumed development fee based on review of development fees charged by merchant power plant developers in North America.  
This fee also considered that the successful project proponent would secure a 25 year EPA with BC Hydro and would not be required to assume gas supply risk.