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3 November 2004

Mr. Robert J. Pellatt
Commission Secretary
British Columbia Utilities Commission
PO Box 250
600-900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Pellatt

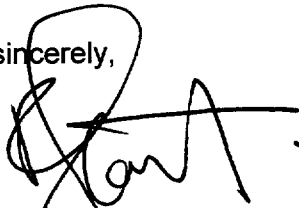
**RE: British Columbia Hydro and Power Authority ("BC Hydro")
Call for Tenders for Capacity on Vancouver Island and Associated Energy on
Vancouver Island**

The Duke Point Power Limited Partnership (LP) is the successful proponent in the Vancouver Island Call for Tenders (CFT) process. As the winning proponent, Duke Point Power LP has been offered an electricity purchase agreement (EPA) with BC Hydro for the energy output and 252 megawatt of capacity from its proposed natural gas-fired combined cycle power plant.

The proposed generation facility will be located near the Duke Point industrial area of Nanaimo, B.C. Construction of the proposed facility is scheduled to begin in March 2005. Duke Point Power LP is a single purpose entity which is owned by the Pristine Group. The Pristine Group comprises Pristine Power Inc. (headquartered in Calgary), Macquarie Essential Assets Partnership (affiliated with Macquarie Bank Limited, a large Australian investment bank) and a consortium of private investors.

In accordance with Section 71 of the *Utilities Commission Act*, BC Hydro will file the EPA after its execution by both parties. Also, in accordance with the Commission's decision on BC Hydro's application for a certificate of public convenience and necessity with respect to VIGP, when BC Hydro files its EPA it will file a report fully describing the process that led to the selection of the Duke Point Power Project.

Yours sincerely,



Richard Stout
Chief Regulatory Officer