



FOR GENERATIONS

Joanna Sofield

Chief Regulatory Officer

Phone: (604) 623-4046

Fax: (604) 623-4407

bchydroregulatorygroup@bchydro.com

December 2, 2009

Ms. Erica M. Hamilton
Commission Secretary
British Columbia Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Hamilton:

**RE: Project No. 3698545
British Columbia Utilities Commission (BCUC)
British Columbia Hydro and Power Authority (BC Hydro)
BCUC Inquiry into British Columbia's Long Term Transmission Infrastructure -
Consultation Reporting**

BC Hydro writes, on behalf of British Columbia Transmission Corporation (BCTC) and BC Hydro, in respect of the joint monthly First Nations parallel consultation report which the BCUC directed BC Hydro and BCTC to file in the September 16, 2009 reasons for decision attached to BCUC Order No. G-108-09.

Given the delay in BC Hydro and BCTC's initial filings for the Long Term Transmission Inquiry, the First Nation consultation process has been placed on hold. As such, there is nothing new to report regarding the First Nations consultation BC Hydro is undertaking for the purpose of the Inquiry since the October 29, 2009 report filed on November 2, 2009 (Exhibit B2-17).

In accordance with BC Hydro's commitment at the June 24, 2009 pre-hearing conference BC Hydro is filing with the BCUC its bi-weekly reports to the Ministry of Energy, Mines and Petroleum Resources (MEMPR) regarding the First Nations consultation BC Hydro is undertaking for the purpose of the Inquiry. Attached are the latest batch of bi-weekly reports to MEMPR dated September 11, September 25, October 9, October 23, November 6 and November 20, 2009 (Attachments 1 to 6).

For further information, please contact the undersigned.

Yours sincerely,

A handwritten signature in black ink, appearing to read "J. Sofield".

Joanna Sofield
Chief Regulatory Officer

c. BCUC Project No. 3698545 Registered Participant Distribution List.

**Consultation on BC Hydro and BC Transmission Corporation's Long-Term
Transmission Inquiry Evidence and Information**

**BC Hydro Consultation Report #5 – BCUC Inquiry
11 September 2009**

1. Consultation Plan Implementation Progress

All First Nations, First Nation Tribal Councils, the Assembly of First Nations (“AFN”) the Union of BC Indian Chiefs (“UBCIC”), the First Nations Summit (“FNS”) and the First Nations Energy and Mining Council (“FNEMC”) were sent a letter dated September 3 2009 which included:

- A formal invitation to the second round of regional workshops along with the dates and locations of each workshop.
- Information on participant and travel funding to attend the regional workshops.
- Questions from BC Transmission Corporation relating to issues that would encourage or prohibit development of transmission lines in First Nations territories and how the impact of new transmission lines in First Nations territories should be accounted for in scenarios.

BC Hydro and BC Transmission Corporation continue preparation for the second round of regional workshops.

Work is progressing to prepare responses to requests from First Nations that arose during the first round workshops.

To assist First Nations in examining the questions on resource options (set out in BC Hydro's letter dated August 25, 2009) BC Hydro is working on the development of a web-based tool to assist in sharing BC Hydro's understanding of generation resource potential.

Immediately following the filing of BC Transmission Corporation (BCTC) and BC Hydro's initial evidence on September 18th, the submissions will be sent to each First Nation, First Nation Tribal Council, AFN, UBCIC, FNEMC and FNS.

2. First Nations Energy and Mining Council (FNEMC)

On September 10, 2009 representatives from BC Hydro and BC Transmission Corporation had a meeting with the First Nations Energy & Mining Council to discuss the second round regional workshops and the FNEMC's involvement in them.

**Consultation on BC Hydro and BC Transmission Corporation's Long-Term
Transmission Inquiry Evidence and Information**

**BC Hydro Consultation Report #6 – BCUC Inquiry
25 September 2009**

1. Consultation Plan Implementation Progress

On September 17, 2009 BC Hydro and BC Transmission Corporation wrote to the BC Utilities Commission requesting an extension for the filing of their initial evidence for the Transmission Inquiry. In light of the new deadline, the first four consultation workshops have been rescheduled. All First Nations, First Nation Tribal Councils, the Assembly of First Nations (“AFN”) the Union of BC Indian Chiefs (“UBCIC”), the First Nations Summit (“FNS”) and the First Nations Energy and Mining Council (“FNEMC”) were sent a letter dated September 21 2009 advising them of the new filing date of September 25, 2009 and the revised consultation workshop schedule.

Subsequent to the September 21, 2009 letter it was determined that there would be a further delay in BC Hydro and BC Transmission Corporation's filing date to a likely filing date of October 2, 2009. In the meantime, both organizations continue to prepare for the Round 2 workshops.

BC Hydro and BCTC continue to respond to issues and questions that arose in the Round 1 workshops.

To assist First Nations in examining the questions on resource options (set out in BC Hydro's letter dated August 25, 2009) BC Hydro continues to work on the development of a web-based tool to assist in sharing information on regional generation resource options.

While every effort is being made to effectively consult with First Nations, the delays in the evidentiary filings coupled with the additional BCUC regional workshops is straining an already compressed schedule.

2. First Nations Energy and Mining Council (FNEMC)

On September 23, 2009 representatives from BC Hydro and BC Transmission Corporation met with the First Nations Energy & Mining Council to review the approach to the second round regional workshops and the FNEMC's involvement in them. The FNEMC provided some preliminary feedback on the draft agenda and web based tool which is under development.

3. Decision of the BC Utilities Commission on the duty to consult with First Nations

On September 16, 2009, the BCUC rendered a decision on the issue of the duty to consult with First Nations. The Commission Panel determined that they are a Quasi-judicial body and do not have a duty to consult and accommodate, if required, with First Nations. The Commission Panel also determined that the following enhancements will be made to the process to enhance First Nations involvement consistent with its quasi-judicial function:

- a second round of regional sessions in January 2010 to provide a public comment period on the final submissions;
- a request for submissions on implementing a phased approach to the Transmission Inquiry proceedings;
- the BCUC will engage a First Nations consultant to assist the staff and panel to engage effectively with First Nations;
- the BCUC will review whether changes can be made to the PACA funding process;
- the invitation for First Nations Participants to submit proposals for the terms of reference for a First Nations Advisory Panel that will sit as an independent Participant in the Inquiry

In its decision, the BCUC noted that it has heard First Nations concerns about BC Hydro's consultation process and directed BC Hydro and BC Transmission Corporation to file monthly substantive consultation reports. The BCUC further referred to BC Hydro's commitment that as the potential determinations become more geographically specific, BC Hydro may depart from its regional sessions and meet with individual First Nations in those geographic regions. The BCUC noted that it was bound by the 30 day public review period of the draft determination. The review period has been raised by First Nations as an area of concern.

**Consultation on BC Hydro and BC Transmission Corporation's Long-Term
Transmission Inquiry Evidence and Information**

**BC Hydro Consultation Report #7 – BCUC Inquiry
09 October 2009**

Consultation Plan Implementation Progress

In response to the BCUC's decision of September 16, 2009, BC Hydro and BC Transmission Corporation filed a joint First Nations Consultation Report to the BCUC on October 1, 2009 (attached).

BC Hydro and BC Transmission Corporation have each requested extensions on our initial filings which were due to the BCUC on September 18, 2009. BC Transmission Corporation's filing has undergone a policy review by the Shareholder who identified some enhancements to its filing. Given the linkages between BC Hydro and BC Transmission Corporation's filing, BC Hydro has requested that it be granted leave to file at the same time as the BC Transmission Corporation. BC Transmission Corporation has noted in its request to the BCUC, that it will endeavour to file its initial evidence before the BCUC's next procedural conference on October 28, 2009.

The filing delays have resulted in two changes to the Round 2 consultation workshops. In a letter dated October 8, 2009 to First Nations, First Nation Tribal Councils, the Assembly of First Nations ("AFN") the Union of BC Indian Chiefs ("UBCIC"), the First Nations Summit ("FNS") and the First Nations Energy and Mining Council ("FNEMC") postponing the Round 2 consultation workshops, we also notified First Nations that we are reconsidering the deadline for filing capacity funding proposals and will provide them with information on the timelines for this shortly. In BC Hydro and BC Transmission Corporation's joint letter, dated August 5, 2009, proposals for capacity funding for studies and technical reviews were requested by October 15, 2009. In that letter, we noted that if First Nations were ready in advance of this date to submit proposals for capacity funding, they would be reviewed accordingly. BC Hydro and BCTC will continue to respond to proposals for study and technical review capacity funding as we receive them.

BC Hydro and BC Transmission Corporation have each informed the BCUC that the current schedule that has been set out by the BCUC to meet the June 30, 2010 deadline in the terms of reference will require some changes. BC Hydro also confirmed that it is reviewing the 30 June 2010 date mandated by the Terms of Reference, by which the BCUC is to circulate a draft report. Both BC Hydro and BCTC will be making submissions to the BCUC on the schedule in advance of the BCUC's Fourth Procedural Conference.

BC Hydro and BCTC responded to the BCUC's September 16, 2009 decision in which they invited written submissions from Transmission Inquiry participants on

a “First Nations Phase” which could result in a specific phase of the Inquiry focused on transmission and other issues raised by First Nations such as the formality and structure of the proceedings and the location of the BCUC’s workshops. The BCUC’s Decision also invited submissions on the issues of retaining a First Nation consultant(s) to assist the BCUC staff and Panel to effectively engage First Nations. BC Hydro and BCTC’s responses are attached.

With respect to both a proposed “First Nations Phase” and the BCUC retaining a First Nations consultant, First Nations participants requested and received an extension to provide their detailed comments. These two issues will now be dealt with at the Fourth Procedural Conference to be held on 28 October 2009.

Schedule continues to be a key issue being raised by First Nations in the Inquiry. First Nation participants, including the FNEMC, have formally requested that the BCUC write to the B.C. Government to advise that the 30 June 2010 date for circulation of a draft report is no longer feasible due to the delays in BC Hydro and BCTC filing their initial evidence, and that the entire Inquiry schedule should be shifted back by at least two months.

**Consultation on BC Hydro and BC Transmission Corporation's Long-Term
Transmission Inquiry Evidence and Information**

**BC Hydro Consultation Report #8 – BCUC Inquiry
23 October 2009**

1. Consultation Plan Implementation Progress

On October 16, 2009 the BCUC issued an Order postponing:

- The fourth Procedural Conference which had been scheduled for October 28, 2009;
- The remaining 4 BCUC regional sessions which had been scheduled between November 16 and December 1, 2009; and
- The dates for participants to file submissions on First Nations' engagement.

The BCUC indicated that the schedule of their regional sessions and the date of the fourth Procedural Conference will be reset when there is more certainty on the date when BC Hydro and BC Transmission Corporations' initial information will be filed. The date for filing submissions on First Nations' engagement will be reset at the same time as the fourth Procedural Conference.

BC Hydro and BC Transmission Corporation continue to prepare for the Round 2 workshops, to work on the development of the web-based tool and to respond to questions or requests from First Nations.

**Consultation on BC Hydro and BC Transmission Corporation's Long-Term
Transmission Inquiry Evidence and Information**

**BC Hydro Consultation Report #9 – BCUC Inquiry
06 November 2009**

1. Consultation Plan Implementation Progress

There have been few developments in the consultation since the filing of the last report.

In response to the BCUC's decision of September 16, 2009, BC Hydro and BC Transmission Corporation filed a joint Consultation Report No. 2 with the BCUC for the month of October 2009 (attached).

BC Hydro and BC Transmission Corporation continue to prepare for the Round 2 workshops, to work on the development of the web-based tool and to respond to questions or requests from First Nations.

**Consultation on BC Hydro and BC Transmission Corporation's Long-Term
Transmission Inquiry Evidence and Information**

**BC Hydro Consultation Report #10 – BCUC Inquiry
20 November 2009**

1. Consultation Plan Implementation Progress

BC Hydro and BC Transmission Corporation continue to prepare for the Round 2 workshops, to work on the development of the web-based tool and to respond to questions or requests from First Nations.