

Re: Clean Energy Act

In April 2010, the government of British Columbia tabled a new *Clean Energy Act* to strengthen the province's ability to deliver clean, reliable electricity while creating new economic opportunities across the province. On June 3, 2010, the *Clean Energy Act* received royal assent.

One element of the Act, specifically Part 7, is to unify British Columbia Hydro & Power Authority (BC Hydro) and BC Transmission Corporation (BCTC) into a single entity. Consequently, effective July 5, 2010, the transmission business formerly operated by BCTC will be the responsibility of BC Hydro, including those obligations under the Open Access Transmission Tariff.

BC Hydro is in the process of reorganizing its business to reflect the changes effected by the *Clean Energy Act*. Until July 5, BCTC will continue doing business consistent with its established policies and procedures and business will continue as usual. As of July 5, BC Hydro will be providing non-discriminatory open access to eligible transmission customers, consistent with applicable BCUC and FERC reciprocal access standards. As such, transmission function and marketing function employees will continue to operate independently and separately from each other and will adhere to a Standards of Conduct approved by the BCUC.

The reintegration will take a period of time to fully implement. In the interim, the transmission business will continue to operate business as usual. BCTC and BC Hydro understand that in the longer term changes will need to be made to both the transmission service provider's systems and customers' systems to accommodate the reintegration of BCTC into BC Hydro. We recognize that these changes will take time, and we will be providing customers with advance notice ahead of any changes.

The integrated role of transmission in BC Hydro's clean energy future is critical. BC Hydro will continue to build on the power of B.C. by making investments in clean, renewable energy, reducing greenhouse gas emissions and supporting economic growth in the province.

Additional communications will be posted throughout the transitional period to update customers accordingly.

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