



ROBERT J. PELLATT
COMMISSION SECRETARY

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October 17, 1995

Mr. R.H. Hobbs
Director, Regulatory Affairs and
Corporate Secretary
West Kootenay Power Ltd.
Waneta Plaza
P.O. Box 130
Trail, B.C.
V1R 4N7

Dear Mr. Hobbs:

Re: West Kootenay Power Ltd.
Rate Schedule 9

The Commission has reviewed the proposal to compensate employees and retirees for the loss of Rate Schedule 9 and has accepted the proposal as outlined in your letter of July 13, 1995 as it applies to current retirees and their surviving spouses.

The Commission does not accept the proposal as outlined with respect to unionized employees. The Commission understands that compensation with unionized employees is negotiated to be effective for the period covered by the contract. Once the contract is ended, compensation is negotiated for the next period. Although benefits won under one set of negotiations may be retained in subsequent contract periods, the way in which they are retained need not be isolated as an individual lump sum cash amount. Therefore, while the Commission expects that the loss of Rate Schedule 9 may be an item for discussion in future compensation negotiations, the Commission does not accept that specific compensation for the loss of Rate Schedule 9 should be embedded as a separate and on-going item in the compensation package for more than the life of the contract period for which the benefit was specifically negotiated. The Commission accepts the calculation of the annual contribution of \$358 but instructs that it be applied only for the contract period for which the benefit was negotiated.

With respect to non-unionized employees, the Commission directs that they receive compensation for the loss of Rate Schedule 9 for the same period for which members of the Office and Technical Employees' Union or International Brotherhood of Electrical Workers receive compensation. In the event that the contract periods are not identical, non-unionized employees should receive compensation for the longer period.

Should you have any questions about this letter or require clarification, please call Ms. Deborah Emes, Manager, Strategic Services at (604) 660-4731. She may also be reached through the Commission's toll-free number 1-800-663-1385.

Yours truly,


Robert J. Pellatt

DWE/cms

WKP/Cor/Proposal for Loss of RS9