



ROBERT J. PELLATT
COMMISSION SECRETARY

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VIA FACSIMILE

August 8, 1996

Mr. Bob Cowan
Vice President, Engineering
Vancouver International Airport Authority
Project Office
Airport Postal Outlet
P.O. Box 24170
Richmond, B.C.
V7B 1Y3

Dear Mr. Cowan:

Re: Vancouver International Airport Authority ("VIAA")
Resale of Electricity to Tenants

This is in reply to your July 22, 1996 letter requesting authorization from the Commission to permit VIAA to resell electricity to its tenants pursuant to Clause 24 of the Electricity Supply Agreement VIAA has executed with British Columbia Hydro and Power Authority ("B.C. Hydro").

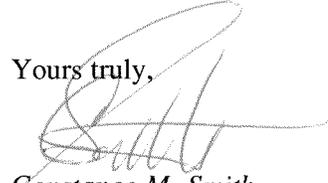
Your letter proposed a pricing arrangement for the tenants "...based on the average cost of electricity per kW.h under Rate Schedule 1821 of the B.C. Hydro Electric Tariff", plus a 15% surcharge to defray the costs of capital investment in new electricity supply facilities, as well as the operation, maintenance and administrative expenses.

The Commission has considered your application and supporting documentation, and this letter is to advise that the Commission has approved the application for resale of electricity by VIAA to its tenants subject to the following conditions:

1. The price to be charged to VIAA's tenants will be no more than that determined by the pricing arrangement stipulated in the application.
2. VIAA is responsible for the proper operation and safety of the electrical plant supplying its tenants, consistent with the requirements of the Electrical Safety Branch.
3. The provisions of Section 114 of the Utilities Commission Act apply to this approval.

If you have any questions please contact the undersigned.

Yours truly,


Constance M. Smith

for: Robert J. Pellatt

NCJS/cms

cc: Mr. David A. Harrison, Senior Vice President
Corporate & Financial Affairs and Chief Financial Officer
British Columbia Hydro and Power Authority

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