



ROBERT J. PELLATT  
COMMISSION SECRETARY

SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. CANADA V6Z 2N3  
TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
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VIA FACSIMILE

August 30, 1996

Mr. R. Brian Wallace  
Bull Housser & Tupper  
Barristers & Solicitors  
2500 1055 West Georgia Street  
PO Box 11130  
Vancouver, B.C.  
V6E 3R3

Dear Mr. Wallace:

Re: British Columbia Hydro Power and Authority ("B.C. Hydro")  
Complaints Regarding Services to B.C. Hydro International Limited ("BCHIL")

Your complaint with respect to services that B.C. Hydro has provided to BCHIL in respect of the International Power Corporation investment have been outstanding for some time. B.C. Hydro provided a response to the complaints on March 19, 1996 and the Commission forwarded that documentation to you for your consideration on March 20, 1996. The Commission also notes your letter of April 23, 1996 requesting more time to also consider the expected report of Mr. Brian Smith. At this time we consider that your complaint is in abeyance and the Commission will not take further action on it unless you wish to reactivate it following the Smith report.

However, the Commission has a concern of its own as a result of B.C. Hydro's response to the initial complaints. As identified in the separation of Non-Regulated Businesses document dated May 30, 1995, all services provided by B.C. Hydro to its subsidiary BCHIL are to be paid for by the non-regulated entity. These payments will ensure that the ratepayers of the utility will get full compensation for the B.C. Hydro services which they have paid for in their rates. To safeguard the utility customers from the initiatives of the non-regulated entity, it is important that any services provided by B.C. Hydro are billed for promptly and repaid by the subsidiary company without undue delay.

Therefore, in a separate letter, the Commission has directed B.C. Hydro to prepare a monthly chronology, starting in January 1994, of B.C. Hydro's personnel activities related to BCHIL in respect of the Pakistan project. The chronology is to identify when a service, such as engineering design, was requested by BCHIL, when it was undertaken by B.C. Hydro employees, when the bill was sent to BCHIL and when the bill for each service was paid by BCHIL. We have asked B.C. Hydro to submit this information no later than September 20, 1996.

Yours truly,



Robert J. Pellatt

WJG/cms

cc: Mr. D.A. Harrison  
Senior Vice President and Chief Financial Officer  
British Columbia Hydro and Power Authority

Mr. Gordon Campbell, MLA  
Office of the Official Opposition  
Liberal Caucus of British Columbia



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Office of the Official Opposition  
Liberal Caucus of British Columbia  
Parliament Buildings  
Victoria, B.C.  
V8V 1X4

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Yours truly,

A handwritten signature in black ink, appearing to read 'R. Pellatt', with a stylized flourish at the end.

Robert J. Pellatt

WJG/cms

cc: Mr. D.A. Harrison  
Senior Vice President and Chief Financial Officer  
British Columbia Hydro and Power Authority

Mr. R. Brian Wallace  
Bull Housser & Tupper