



ROBERT J. PELLATT  
COMMISSION SECRETARY

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*VIA FACSIMILE*

November 14, 1996

Mr. David A. Harrison  
Senior Vice-President  
Corporate and Financial Affairs  
and Chief Financial Officer  
B.C. Hydro and Power Authority  
333 Dunsmuir Street  
Vancouver, B.C.  
V6B 5R3

Dear Mr. Harrison:

Re: British Columbia Hydro and Power Authority  
Certificates of Public Convenience and Necessity for planned 1997 System Extensions

In its Phase II Reconsideration Decision on Utility System Extension Tests of August 13, 1996, the Commission determined that jurisdictional uncertainty would be avoided if it relied in future on the sections of the Utilities Commission Act that provide it with express powers over system extensions. In the Commission's view, those powers are most clearly defined by Sections 51 and 53 which relate to the Certificate of Public Convenience and Necessity ("CPCN").

Therefore, the Commission directed each regulated utility to file, pursuant to Section 51(3), an annual statement of the system extensions it planned to construct in the subsequent year. The Commission indicated that in this statement utilities could opt to simply identify the extensions they plan to construct, leaving the Commission to determine the basis on which it would decide if CPCN applications would be required. Alternatively, in the interests of streamlined regulation, utilities could file with the Commission information on the criteria they apply in determining whether or not a particular system extension is in the public interest. Moreover, the Commission indicated that if utilities wished to have the Commission provide review and commentary on the criteria they apply, in order to reduce regulatory uncertainty, they should file their criteria with the Commission by September 30, 1996. This second approach would enable the Commission to apply its powers under Sections 51 and 53 in a manner that would minimize the regulatory procedures necessary to meet the Commission's obligations under the Utilities Commission Act.

The major utilities regulated by the Commission, with the exception of B.C. Hydro, have chosen to follow the second approach.

The Commission has reviewed B.C. Hydro's statement of proposed system extensions. Based on the limited information provided by B.C. Hydro, the Commission is uncertain if it would find all B.C. Hydro's proposed system extensions to be in the public interest. Therefore, the Commission has determined that, pursuant to Section 51(3), B.C. Hydro must apply for CPCNs prior to beginning construction of the system extensions listed in "Attachment A".

Finally, B.C. Hydro has not provided information on the system extensions costing less than \$100,000. B.C. Hydro should provide this information by January 1, 1997.

Yours truly,

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

Robert J. Pellatt

JWF/mmc  
Attachment A

# ATTACHMENT A

## Proposed System Extensions requiring a CPCN prior to construction

### Region

### Project Description

#### Major Connection Projects:

Metro	Pacific Place
Metro	Collingwood
Metro	Greenside subdivision
Fraser Valley	10 Lot Industrial - Steveston Hwy at No. 5 Rd.
Fraser Valley	MacMillan Bloedel Subdivision - Annacis Isl.
Fraser Valley	12.70 RIM Extension
Northern	Imperial Oil-Fort St. John project split exp & improvement

#### Customer Driven Improvement Projects:

Metro	Southpoint
Fraser Valley	Surrey Project 1995055, 152St, 64th to Hwy 10
Northern	Imperial Oil
Vancouver Island	Alberni Hwy/Clark Road Phase 3

#### Uneconomic Extension Allowance Projects:

South Interior	Seymour Arms
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#### Beautification Projects:

Metro	Vancouver - Elm Street
Metro	Burnaby - Government Street
Metro	Whistler - Lake Placid Road
Fraser Valley	Richmond
Fraser Valley	Surrey, King George Hwy.