



ROBERT J. PELLATT
COMMISSION SECRETARY

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VIA FACSIMILE

June 7, 1996

Mr. Harvie Campbell
Independent Power Association
of British Columbia
Suite 600, Park Place
666 Burrard Street
Vancouver, B.C.
V6C 2X8

Mr. R. Brian Wallace
Council of Forest Industries
Electro-Chemical Producers
The Mining Association of B.C.
Bull Housser & Tupper
P.O. Box 11130, 3000 Royal Centre
1055 W. Georgia St.
Vancouver, B.C. V6E 3R3

Dear Sirs:

Re: British Columbia Hydro and Power Authority's ("B.C. Hydro")
Seven Mile Project

We refer to your letters to the Commission dated May 13 and June 5, 1996, requesting that the Commission exercise its jurisdiction under the Utilities Commission Act ("the Act") and require B.C. Hydro to obtain a certificate of public convenience and necessity ("CPCN") for the above-noted project. Your letters further requested that the Commission hold a public hearing or full review in relation to the economic desirability and necessity of this project in relation to other alternatives.

You should be aware that the Commission need not make a specific request of B.C. Hydro for a CPCN application for the above project, because Section 51 of the Act specifies that B.C. Hydro requires a CPCN from the Commission prior to initiating construction of this project.

In this connection, and by copy of this letter, the Commission encourages B.C. Hydro to make an early CPCN application for the project, to avoid the risk of potential slippage in the commencement of construction and the planned in-service date if additional information or reviews are required. B.C. Hydro should provide detailed information on project costs and timing, conditions that are required by other agencies pursuant to the certification review process, and justification documentation on demand/supply

balances, other resource options, and the impact of proposed rate forms currently being reviewed by the Commission.

Regarding the potential for a public hearing, the Commission would not be in a position to make a determination on this matter until it receives and examines B.C. Hydro's CPCN application. That information will be publicly available and it is customary for the Commission to allow comment by affected parties before determining if a public hearing will be required.

Yours truly,



Robert J. Pellatt

NCJS/cms

Enclosures

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