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## VIA FACSIMILE

February 26, 1997

Mr. David A. Harrison
Senior Vice President and
Chief Financial Officer
British Columbia Hydro and
Power Authority
18th Floor, 333 Dunsmuir Street
Vancouver, B.C.
V6B 5R3

Dear Mr. Harrison:

Re: British Columbia Hydro and Power Authority Request to Suspend CPCN Requirement for Extensions

In the January 31, 1997 letter which accompanied B.C. Hydro's filing re "Policy for System Extension Tests", B.C. Hydro requested that the Commission suspend the necessity for CPCNs for certain identified system extensions. In addition to B.C. Hydro's request, various other parties have requested the opportunity to comment on B.C. Hydro's system extension test prior to final approval by the Commission.

The Commission has considered these requests, along with the information provided in B.C. Hydro's filing, and notes that the utility's current customer consultation process is anticipated to continue until the end of March 1997. Therefore, the Commission has decided that it will defer the necessity for filing of CPCNs for system extensions until September 1, 1997. Nevertheless, B.C. Hydro is encouraged to file its final proposal and tariffs as soon as possible following the conclusion of its customer consultation process.

By way of a separate letter, the Commission is confirming that interested parties will have the opportunity to make submissions to the Commission regarding B.C. Hydro's proposed policy.

Yours truly,

Robert J. Pellatt

JF/mmc Attachment