



**LETTER NO. L-1-02**

ROBERT J. PELLATT  
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January 10, 2002

Mr. Ray Aldeguer  
Senior Vice President  
Legal & Regulatory Affairs  
& General Counsel  
British Columbia Hydro and Power Authority  
17th Floor, 333 Dunsmuir Street  
Vancouver, B.C. V6B 5R3

Dear Mr. Aldeguer:

Re: British Columbia Hydro and Power Authority ("B.C. Hydro")  
Complaint – B.C. Hydro Proposed Consolidation, Amalgamation or Merger

The Commission has received a complaint under Section 72 of the Utilities Commission Act ("the Act") on behalf of the Office & Professional Employees' International Union, Local 378. The substance of the complaint is that B.C. Hydro has violated, or is about to violate, Sections 52 and 53 of the Act. The complaint contends that B.C. Hydro has sought proposals from entities regarding joint venture/partnership arrangements with B.C. Hydro to provide services currently provided by B.C. Hydro, which would involve the disposition of part of its property in violation of Section 52 of the Act. The Commission is generally aware of the proposals regarding Customer Services, Westech Information Systems, Inc. and Vehicle Fleet Services, and recognizes that paragraph 32(7)(x) of the Hydro and Power Authority Act exempts B.C. Hydro from the provisions of Section 52. While Section 53 would not apply to joint venture/partnership arrangements, the requests for expressions of interest state that B.C. Hydro will also consider other options. The Commission would like confirmation from B.C. Hydro that the structure of the arrangements being evaluated will not meet the definition of consolidation, amalgamation or merger in Section 53 of the Act.

We enclose a copy of the December 21, 2001 complaint, including the attachments that were filed separately, and ask B.C. Hydro to provide the Commission with a response by January 31, 2002.

Yours truly,

*Original signed by:*

Robert J. Pellatt

RJP/cms  
Enclosures

cc: Mr. Leo B. McGrady, Q.C.  
McGrady, Baugh & White