



LETTER NO. L-28-05

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Log No. 9355

VIA E-MAIL AND FACSIMILE

April 7, 2005

BCH 2005 REAP Exhibit A-1

To: British Columbia Hydro and Power Authority
Intervenors to BC Hydro 2004/05 and 2005/06 Revenue Requirements Proceeding

Re: British Columbia Hydro and Power Authority ("BC Hydro")
Resource Expenditure and Acquisition Plan Application

By letter dated March 14, 2005, the Commission requested comments on the type and extent of process for the review of the Resource Expenditure and Acquisition Plan ("REAP") filed by BC Hydro under cover of letter dated March 7, 2005 pursuant to Subsection 46(6.1) of the Utilities Commission Act. Comments were received from the following parties:

- The BC Old Age Pensioners Organization *et al.*
- Joint Industry Electricity Steering Committee ("JIESC")
- Commercial Energy Consumers of British Columbia ("CEC")
- Independent Power Producers Association of British Columbia
- Sierra Club of Canada, BC Chapter
- BC Sustainable Energy Association
- BC Citizens for Public Power
- GSX Concerned Citizens Coalition
- J.P. West
- Alan Wait

The Commission accepts the March 29, 2005 submissions from BC Hydro that the regulatory review of the planning process was addressed in the Commission's October 29, 2004 Decision concerning BC Hydro's 2004/05 and 2005/06 Revenue Requirements Application ("RRA Decision") with directions given with respect to the Resource Options Report ("ROR") and the REAP. With respect to the Integrated Electricity Plan ("IEP"), the Commission stated at page 63:

"In adopting the ROR process together with its identification of the essential elements of the ROR, the Commission has not made any decisions with respect to a review of an IEP. ...The Commission Panel expects that a decision will be made in this regard at the end of the ROR process."

Therefore, the Commission accepts BC Hydro's submission on page 3 of its March 29 letter that: "This process has been the subject of extensive and intensive argument and ought to be permitted to run its course, rather than reargued as proposed by JIESC and CEC."

Given the comments received in support of an oral hearing, the Commission concludes that the review of the REAP should include an oral hearing and a written hearing process. As submitted by BC Hydro, the scope of the oral hearing process should include a review of the "Supplemental F2006 Call Evidence" expected to be filed by BC Hydro on May 17, 2005. The Commission expects that other issues arising from the REAP will also be included in the oral hearing process. A determination with respect to the scope of the oral hearing process will be made following the filing of the "Supplemental F2006 Call Evidence" and following a pre-hearing conference. Therefore, the process for review of the REAP will commence with a written process as set forth in the attached Regulatory Timetable. The written process may assist in determining the issues to be reviewed as part of the oral hearing process.

Opportunities for additional Information Requests are to be expected following receipt of the May 17 filing by BC Hydro of the Supplemental F2006 Call Evidence. At the Pre-hearing Conference on June 2, 2005, submissions will be heard regarding issues for the oral hearing process. It is expected that issues that are not included within the scope of the oral hearing process will be addressed by way of written submissions by Intervenor and reply by BC Hydro following the responses to information requests. Notice of this proceeding is being provided by way of a copy of this letter to Intervenor in the BC Hydro 2004/05 and 2005/06 Revenue Requirements hearing.

Yours truly,

Original signed by:

Robert J. Pellatt

JWF/cms
Attachment

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
Resource Expenditure and Acquisition Plan ("REAP") Application

REGULATORY TIMETABLE

BCUC Information Requests	Wednesday, April 13, 2005
Filing of Notices of Intervention	Monday, April 18, 2005
Filing of budgets for PACA	Monday, April 25, 2005
Responses to Information Requests	Friday, April 29, 2005
BCUC and Intervenor Information Requests	Monday, May 9, 2005
Responses to Information Requests and BC Hydro proposal of issues for the Oral Hearing process	Friday, May 27, 2005
Pre-Hearing Conference	Thursday, June 2, 2005