



**LETTER NO. L-48-05**

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**VIA FACSIMILE & E-MAIL**

June 23, 2005

To: FortisBC and Registered Intervenors to the FortisBC Revenue Requirements Application

Re: FortisBC's Revenue Requirements  
2005 – 2024 System Development Plan and 2005 Resource Plan

This letter is to clarify the Commission Panel's determination in Section 3.2 of the Commission Panel's Decision of May 31, 2005 for FortisBC's Revenue Requirements, 2005-2024 System Development Plan and 2005 Resource Plan.

The Commission Panel is concerned that the determination on page 59 of the Decision and a discussion on page 57 of the Decision may be interpreted to mean that the Commission Panel has set increased standards of reliability for the City of Kelowna and, by inference, for other similar load centers. This is not the case. The Commission Panel's determination was that for the particular circumstances the City of Kelowna is facing, i.e., the risk of losing the two lines from Vernon due to various causes (including forest fires) and in consideration of the consequences in losing those lines for the loss of load in Kelowna, the advancement of a 230 kV line from Vaseux Lake to Penticton to alleviate that risk, would be a prudent investment. This would have the result of increasing the level of reliability for Kelowna beyond what is commonly referred to as an N-1 contingency level but this outcome should not be interpreted as meaning the Commission Panel has set increased design standards of reliability for the City of Kelowna or for other similar load centers. Each case involving facilities which improve reliability levels must be evaluated on its own merits. In doing so the Commission Panel is guided by good Utility practice, public safety and the economics of providing service.

Yours truly,

*Original signed by:*

Robert J. Pellatt

RWR/yl