



**LETTER NO. L-90-05**

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Log No. 11079

**VIA E-MAIL**

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October 14, 2005

Mr. Tony Morris  
Acting Chief Regulatory Officer  
British Columbia Hydro and Power Authority  
17<sup>th</sup> Floor, 333 Dunsmuir Street  
Vancouver, B.C. V6B 5R3

Dear Mr. Morris:

Re: British Columbia Hydro and Power Authority ("BC Hydro")  
British Columbia Transmission Corporation ("BCTC")  
Service Level Agreements

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On August 15, 2005, BC Hydro filed for information the following agreements between BC Hydro and BCTC for the provision of service to each other. The Service Level Agreements ("SLAs") filed are:

1. Field Services Service Agreement;
2. Engineering Service Agreement;
3. Generation Control Services Agreement;
4. SDA Asset Management Service Agreement; and
5. Distribution Operations Service Agreement.

In its submission dated August 18, 2005, BCTC agreed with BC Hydro's position that none of the SLAs are rates for services under section 61(1) of the Utilities Commission Act.

On September 15, 2005, by Commission Letter No. L-75-05, the Commission raised the issue of its authority to approve the SLAs and provided contextual background from the BC Hydro 2005 and 2005 Revenue Requirements proceeding and summarized BC Hydro's position outlined in its August 15, 2005 letter. The Commission invited submissions from participants in that proceeding on the question of the Commission's jurisdiction and process to consider the SLAs filing.

No intervenor submissions were received by the requested deadline of September 29, 2005. BC Hydro and BCTC, by letters dated October 5, 2005 and October 6, 2006, relied on their earlier submissions.

The Commission accepts the SLAs as filed for information at this time and will exercise its jurisdiction to review the costs arising from the SLAs in the revenue requirements proceedings for BC Hydro and BCTC.

Yours truly,

*Original signed by:*

Robert J. Pellatt

LAB/cms

cc: Mr. Marcel Reghelini, Director, Regulatory Affairs  
British Columbia Transmission Corporation  
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