



**LETTER NO. L-57-07**

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**VIA E-MAIL**

July 3, 2007

<b>BC HYDRO</b> <b>2007 RATE DESIGN</b>	<b>EXHIBIT A-20</b>
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TO: British Columbia Hydro and Power Authority  
Registered Intervenor/Interested Parties (BCH-07Rate-RI/BCH-07Rate-IP)  
Central Coast Power Corporation

Re: British Columbia Hydro and Power Authority ("BC Hydro")  
Project No. 3698455/Order No. G-36-07  
2007 Rate Design Application

By Order No. G-40-86, the Commission approved the Transfer of Lands and Chattels from Ocean Falls Corporation to Central Coast Power Corporation ("CCPC") and exempted CCPC from the Utilities Commission Act ("the Act") (S.B.C. 1980 Chapter 60) except for Part 2 and Sections 30, 44, 47, and 133 which are now identified in the current Act as Part 2 and Sections 25, 38, 41 and 117.

By Order No. G-30-02, the Commission amended Order No. G-40-86 upon the conclusion of a hearing which required the Commission to determine the appropriate rate. Section 2(c) of Schedule F of Order No. G-40-86 was struck out and replaced by "For present firm installed capacity in CCPC's Ocean Falls generating facility, industrial customers are to be charged rates as negotiated by the parties, but not to exceed the rate authorized by B.C. Hydro's Rate Schedules 1821, 1200, 1201, 1210, or 1211 as amended from time to time, for similar service. In the event that additional generation, above the firm installed capacity of the plant is required, the parties may negotiate rates with consideration of the cost of installing additional generation."

In an Information Request ("IR") to BC Hydro, the Heiltsuk Tribal Council and Shearwater Marine Limited ("Heiltsuk") asked for the terms and conditions of the Energy Purchase Contract ("EPA") and the term of lease agreement with CCPC for lands owned by BC Hydro.

In a letter dated May 26, 2007, CCPC filed a letter with the Commission asserting that the contract provisions between CCPC and BC Hydro are outside of the jurisdiction of the BCUC; that the release of the contract would prejudice its operation unfairly; that it vigorously opposes any release of the document; and that it would consider supply information with BC Hydro approval, that is essential to the case of the Intervenor and that is not prejudicial to the company.

By letter dated May 30, 2007, the Commission acknowledged the letter from CCPC and stated its requirement of further justification from the Intervenor before directing the release of the contract, in whole or in part (Exhibit A-7).

On June 11, 2007, Heiltsuk filed Intervenor Evidence with the Commission asserting that the rates for Waglisla and Shearwater are unduly discriminatory and asked the Commission to consider its evidence as a complaint (Exhibit C23-4).

In its Responses to IRs from the BCUC, Heiltsuk stated that it considers its evidence to be sufficient justification for a Commission Order to BC Hydro to provide, at a minimum, the expiry date(s) of its agreement(s) with CCPC; that BC Hydro with its readily available data should be directed to respond to BCUC IR 7.0 to Heiltsuk; and that it would make a further application for production of the agreements between CCPC and BC Hydro (Exhibit C23-5).

By letter dated June 28, 2007, counsel for Heiltsuk filed an application for the production of the agreements between CCPC and BC Hydro ("Heiltsuk Motion") (Exhibit C23-7). The application also contains a list of information being sought.

By letter dated July 3, 2007, BC Hydro responded to the Heiltsuk Motion, submitting that the production of the power supply contract between BC Hydro and CCPC should not be ordered.

Further to the provisions of the procedural letter for this Hearing (Exhibit A2-1), the Panel will hear the Heiltsuk Motion immediately following the Opening Statement of the Chair. If any Participant or CCPC intends to speak to the Heiltsuk Motion, they should advise Commission counsel by telephone at 604-647-4104 or by email at [gfulton@boughton.ca](mailto:gfulton@boughton.ca) by 4:30 p.m., Thursday July 5, 2007. Opening Statements from the Participants will follow the Panel's decision on the Heiltsuk Motion.

Yours truly,

*Original signed by:*

Robert J. Pellatt

EC/rt