



**LETTER NO. L-4-09**

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COMMISSION SECRETARY  
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Log No. 25832

**VIA E-MAIL**

[dennis.swanson@fortisbc.com](mailto:dennis.swanson@fortisbc.com)

January 14, 2009

Mr. Dennis Swanson  
Director  
Regulatory Affairs  
FortisBC Inc.  
Suite 100 – 195 Springfield Road  
Kelowna, BC V1Y 7V7

Dear Mr. Swanson:

Re: FortisBC Inc. filing of  
an Umbrella Agreement for Short-Term Firm or Non-Firm  
Point to Point Transmission Service Agreement  
and a Power Coordination Agreement

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On June 24, 2008, FortisBC Inc. ("FortisBC") filed an Umbrella Agreement for Short-Term Firm or Non-Firm Point to Point Transmission Service Agreement dated April 18, 2008 between FortisBC Inc. and the Corporation of the City of Nelson; and a Power Coordination Agreement dated May 14, 2008 between FortisBC Inc. and the Corporation of the City of Nelson.

FortisBC, in responding to the Commission's letter dated July 18, 2008, with regard to the above referenced Agreements, stated "FortisBC believes that the Agreements do not adversely affect the ratepayers of FortisBC or BC Hydro." and that "The Commission will need to determine whether the Agreements are in the public interest at a policy level."

On September 16, 2008, British Columbia Hydro and Power Authority ("BC Hydro") filed an application under subsections 58 (1) and (2) of the Utilities Commission Act ("the Act") for approval to amend section 2.1 of Rate Schedule 3808 ("RS 3808") Power Purchase Agreement ("PPA") to clarify that electricity purchased by FortisBC under the PPA cannot be sold to FortisBC customers to replace electricity to be sold by those customers. On October 3, 2008, by Order G-148-08, the Commission established a written hearing process on the BC Hydro application.

On January 13, 2009, the Commission received a letter (attached) from FortisBC stating that it does not have any issues with holding these agreements in abeyance pending the decision on the above noted BC Hydro Application.

Accordingly, the Commission suspends review of the FortisBC filings of the Umbrella Agreement and Power Coordination Agreement until such time as a Commission Decision has been made in the on-going hearing on the British Columbia Hydro and Power Authority application to Amend Section 2.1 of the PPA.

The Commission will enter this Commission letter and the attached FortisBC letter dated January 13, 2009 as an exhibit in written hearing process on the BC Hydro Application to Amend Section 2.1 of RS 3808 PPA.

Yours truly,

*Original signed by:*

Erica M. Hamilton

DJF/cms

Attachment

cc: Ms. Joanna Sofield, Chief Regulatory Officer  
British Columbia Hydro and Power Authority  
17th Floor, 333 Dunsmuir Street  
Vancouver, B.C. V6B 5R3  
[bchydroregulatorygroup@bchydro.com](mailto:bchydroregulatorygroup@bchydro.com)

Registered Intervenors,  
BC Hydro Power Purchase Agreement to Amend Section 2.1 of RS 3808 PPA

January 13, 2009

Ms. Erica M. Hamilton  
Commission Secretary  
BC Utilities Commission  
Sixth Floor, 900 Howe Street, Box 250  
Vancouver, BC V6Z 2N3

Dear Ms. Hamilton:

***Re: FortisBC Inc. filing of an Umbrella Agreement for Short-Term Firm or Non-Firm Point-to-Point Transmission Service and the Power Coordination Agreement***

On June 24, 2008, FortisBC Inc. ("FortisBC") filed the Umbrella Agreement for Short-Term Firm or Non-Firm Point-to-Point Transmission Service Agreement dated April 18, 2008 between FortisBC and the Corporation of the City of Nelson; and the Power Coordination Agreement dated May 14, 2008 between FortisBC and the Corporation of the City of Nelson.

FortisBC understands that the BCUC does not intend to accept the agreements for filing pending the decision on the British Columbia Hydro and Power Authority ("BC Hydro") Application to Amend Section 2.1 of Rate Schedule 3808.

FortisBC does not have any issues with holding these agreements in abeyance pending the decision on the above noted BC Hydro Application.

If further information is required, please contact the undersigned at (250) 717 0890.

Sincerely,



Dennis Swanson  
Director, Regulatory Affairs