



LETTER L-1-11

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VIA EMAIL

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January 7, 2011

Ms. Joanna Sofield
Chief Regulatory Officer
British Columbia Hydro and Power Authority
17th Floor, 333 Dunsmuir Street
Vancouver, BC V6B 5R3

Dear Ms. Sofield:

Re: British Columbia Utilities Commission
British Columbia Hydro and Power Authority
Remote Community Electrification Program
Review of the RCE Program 2010 Annual Report and
the RCE CPCN applications for the communities of
Tsay Keh, Fort Ware and Elhateese, and
required revisions to the Electric Tariff

On June 25, 2007, the BC Government enacted the Remote Communities Regulation and issued Special Direction No. 10 that directs the British Columbia Utilities Commission (Commission) to ensure that British Columbia Hydro and Power Authority (BC Hydro) makes available to customers in remote communities the same rates and services it makes available in the Non-Integrated Areas (NIA).

On September 17, 2009, the Commission issued Order C-4-09A. In the Order for the Toad River Project, the Commission directed BC Hydro to:

- i. establish a Remote Community Electrification (RCE) Program Plan working group including stakeholders and First Nations representatives to develop a streamlined regulatory process for projects under the program;
- ii. file with the Commission a proposal for the streamlined regulatory review of RCE Program projects, along with criteria defining acceptability of a project that will allow a simplified Certificate of Public Convenience and Necessity (CPCN) application and review for a project, or an exclusion from the requirement for BC Hydro to obtain a CPCN in most cases;
- iii. file an Annual Report on the RCE Program that includes communities and number of customers served, quantity of electricity delivered, renewable electricity initiatives and production, Demand Side Management (DSM) programs and impact, and annual and cumulative capital expenditures and administration and other expenses and revenue.

On June 11, 2010, following substantial input from an intervener working group, BC Hydro filed the RCE Program Regulatory Review Proposal (the Streamlined Process) setting out a streamlined regulatory process and form for remote community CPCN applications. The RCE Proposal included BC Hydro filing a RCE Program Report on an annual basis and

filing a “summary” CPCN application for each RCE community.

Upon receipt of an application (or applications), the Commission would invite Revenue Requirements Application (RRA) interveners and First Nations to advise, within 20 days, whether or not they wish to have an opportunity to submit written information requests (IRs) and/or provide written submissions in respect of each RCE project CPCN application. After the expiry of the comment period, the Commission could, for each RCE project issue a CPCN and approve the Electric Tariff amendments without further process or before making a decision, proceed with a written hearing process which may include any of the following: IRs, workshops, and written submissions.

On December 23, 2010, BC Hydro filed the RCE Program 2010 Annual Report and the RCE CPCN applications for the communities of Tsay Keh, Fort Ware and Elhateese, and required revisions to the Electric Tariff in order to provide electric services in the new service areas.

In the covering letter accompanying the filing, BC Hydro states it is of the view that the CPCN applications for the communities of Tsay Keh, Fort Ware and Elhateese meet the criteria of standard RCE CPCN applications with no unusual circumstances, and hence IRs are not warranted for this proceeding. Also, BC Hydro noted in its Streamlined Process that after filing the annual RCE Program Report, BC Hydro will, if requested by the Commission or interveners, hold a workshop on the annual report and any concurrent summary CPCN applications.

Now, the Commission requests Participants to provide their comments as to whether a workshop is required for the review of the RCE Program 2010 Annual Report and the preferred regulatory process required to review the CPCN applications and required revisions to the Electric Tariff.

Participants, who wish to make comments on either the review of the RCE Program 2010 Annual Report or the preferred regulatory process required to review the CPCN applications and the Electric Tariff revisions, must file their comments in writing or electronically via the Commission Secretary (E-Mail: Commission.Secretary@bcuc.com) with the Commission on or before 5:00 p.m., Wednesday, January 26, 2011.

Participants who wish to reply to the submission of another participant will do so in writing or electronically on or before 5:00 p.m., Friday, February 4, 2011.

Following receipt of the filed comments, the Commission will make a determination on the regulatory process to review the CPCN applications and the Electric Tariff and the RCE Program 2010 Annual Report.

The RCE Program CPCN applications may be dealt with by one of the following:

- i. The Commission, using its discretion and without further process, may make a determination on the CPCN applications and the Electric Tariff revision; or

- ii. The Commission may establish a written hearing process which may include any of the following: workshops, written information requests and written submissions.

Yours truly,

Erica M. Hamilton

DJF/ac

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Registered Interveners
(BCH-2011RR-RI)

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BCH/Cor/BCH Remote Community Electrification Program

