



ROBERT J. PELLATT
COMMISSION SECRETARY

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

September 26, 1995

Dr. James H. Balderson
901 West 8th Avenue
Vancouver, B.C.
V5Z 1E4

Dear Dr. Balderson:

Re: British Columbia Hydro and Power Authority ("B.C. Hydro")
Clearance of Overhead Power Lines

Your letter to the Commission dated August 18, 1995 was referred to B.C. Hydro for comments. Attached, for your information is B.C. Hydro's September 11, 1995 response to some of the issues raised in your letter. The Commission has carefully considered B.C. Hydro's response and has made the following determinations.

Temporary Cover-up Charge - \$3,594.13

The Utility has broken down this charge into its individual components. The Commission has no reason to believe that these cost estimates are unreasonable. We have also determined that the charges are appropriate since your relatively new building was constructed within the WCB established clearance limits of an existing power line, thereby causing additional costs for B.C. Hydro to accommodate your exterior building maintenance.

Permanent Conductor Relocation - \$15,000

As stated by B.C. Hydro, the above figure is a "ball-park" estimate for the work contemplated. The Utility has articulated the reasons why this estimate is greater than the temporary solution. A more refined estimate would require a detailed design and the Commission cannot justify pursuing this task with B.C. Hydro at this time, unless you provide strong indication that you are ready to proceed with the project.

Pole and Transformer Relocation - \$22,000

Here again, the Commission does not think it necessary to question the ball-park estimate of \$22,000 which can only be confirmed by the Utility undertaking a detailed design of the project.

General Comments

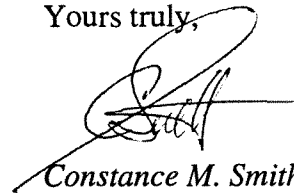
As stated by the Utility, the above estimated costs are derived from an automated Distribution Construction System which is used throughout its system. Additionally, B.C. Hydro admits to the routine use of external private electrical contractors for construction work, and that the labour costs of these contractors are consistently applied for work of a similar nature irrespective of the client. This enables the Utility to remain current on actual industry charge-out rates for the jobs undertaken.

We have no reason to believe that the estimated costs provided to you are unreasonable or unjust, even though they were not competitively obtained. We believe that the projects under discussion are best handled by the Utility in light of the intricate electrical switching and co-ordination that are involved when work is to be undertaken around energized wires. While we do not advocate that external contractors be excluded from such work, we understand that the inevitable involvement of the Utility forces will introduce incremental costs.

Finally, in the above circumstances, the Commission gives full latitude to the Utility in the conduct of its business and does not see the necessity to routinely regulate such non-standard activities unless the Utility is shown to be taking advantage of its customers. We do not believe this to be true in the situation at hand.

We trust that the above clarifies to some extent, the rationale for the Commission's support for the Utility in this matter.

Yours truly,



for: *Constance M. Smith*
Robert J. Pellatt

NCJS/mmc
Attachment

cc: **The Honourable Glen Clark**
Minister, Responsible for
British Columbia Hydro and Power Authority

Mayor Philip Owen
City of Vancouver

Mr. R.J. Threlkeld
Vice President Customer Service
British Columbia Hydro and Power Authority

Mr. David A. Harrison
Senior Vice President and Chief Financial Officer
British Columbia Hydro and Power Authority

Mr. D. Rudberg
City of Vancouver

Mr. Dennis J. Maniago
Manager, Customer Services
British Columbia Hydro and Power Authority