



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

November 7, 1996

Mr. Graeme Pole  
P.O. Box 57  
Field, B.C.  
V0A 1G0

Dear Mr. Pole:

Re: B.C. Hydro and Power Authority  
Connection to Field, B.C.

This is in response to your correspondence dated October 25, 1996 regarding your concerns with the expected integration of Field, B.C. into the B.C. Hydro electric grid.

As background, pursuant to Commission Order No. C-1-88 dated April 14, 1988, Yoho was granted a Certificate of Public Convenience and Necessity for the provision of electric service in Yoho National Park, after having purchased the electrical generation and distribution assets of Northern Canada Power Commission. The CPCN was based on Yoho having entered into a 25 year Franchise Agreement in 1987 with the Federal Government for the sale of electricity in Yoho National Park. Since that time, the customers' high rates due to local diesel generation have been subsidized by B.C. Hydro and various parties have been attempting to get a connection to the B.C. Hydro grid. The last subsidy application by B.C. Hydro (June 19, 1996) explained that 55 km. of three phase 25 kV overhead line would be constructed and the projected date for integration of Field was November 1, 1996. This project was one of 17 approved for funding under the BC 21 Canada/British Columbia Infrastructure Program and involved contributions by the federal and provincial governments as well as B.C. Hydro.

As the cost of the project will be greater than those contributions, B.C. Hydro is expected to request Commission approval to recover this amount from Field customers by means of a surcharge on their electricity bills. This arrangement is not as novel as you mention and is based on the Winter Harbour service extension approved by the Commission in 1990. As well, the Regional District of Kitimat Stikine has recently made a similar request for the cost of an extension to the Meziadin Lake area to be recovered by a surcharge.

While the Commission has seen the Principles of Agreement between the parties you mentioned, it has not been involved in the negotiations and does not have jurisdiction over the extension itself; this lies with the Federal government. However, after receiving your concerns about the lack of information and input available, the Commission had a staff member attend the October 30, 1996 public meeting in Field, B.C. The Commission understands that the meeting was well attended and that both B.C. Hydro and Yoho Power made an informative presentation on the expected costs of the connection and the resulting bills.

In addition to the B.C. Hydro surcharge application mentioned above, Yoho Power Ltd. is expected to apply under Sections 47 and 59 of the Utilities Commission Act to dispose of its assets and discontinue its utility operations when the line is energized. Once these applications have been received, the Commission will ensure a notice is sent to all customers, giving them an opportunity to make submissions before it makes its decision in the public interest.

Yours truly,

A handwritten signature in black ink, appearing to read "R. Pellatt", with a stylized flourish at the end.

Robert J. Pellatt

/bnk