

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

VIA FACSIMILE

July 3, 1997

Ms. Darlene M. Barnett
Senior Vice-President
Marketing and Customer Services
British Columbia Hydro and
Power Authority
17th Floor, 333 Dunsmuir Street
Vancouver, B.C.
V6B 5R3

Dear Ms. Barnett

Re: British Columbia Hydro and Power Authority ("B.C. Hydro")
Wholesale Transmission Services ("WTS") Availability Clause
and West Kootenay Power Ltd. ("WKP")

By way of a letter dated May 30, 1997 B.C. Hydro requested that the Commission clarify its ruling found at page 40 of its June 25, 1996 Decision with respect to B.C. Hydro's WTS Application. Specifically, B.C. Hydro asked whether the ruling means that WKP must take in excess of its nominated demand under its Power Purchase Agreement ("PPA") before it can access B.C. Hydro's WTS or whether the PPA imposes no take-or-pay provisions on energy so that there is the opportunity for WKP to displace PPA energy.

The Commission's determination with respect to the availability clause states that:

"The Commission confirms that where existing contracts allow customers access to alternate supplies, nothing in the Network Service or Point to Point tariffs will be seen as abrogating this right."

The Commission clarifies that this statement means that WKP is not obligated to take in excess of its contract demand under its PPA before WKP can access B.C. Hydro's WTS tariff.

The Commission notes that the June 20, 1997 WTS filing does not contain this clause. The Commission views its removal as appropriate since the Commission has come to have concerns that its inclusion may

blur the necessary functional separation between generation and transmission. However, the removal of this clause does not remove the last obstacle to the use of the WTS tariff by WKP, since the B.C. Hydro tariff requires certain reciprocity conditions to be met before access can be granted. The Commission expects that B.C. Hydro will enforce these conditions. Accordingly, once WKP has a wholesale transmission tariff in place, the Commission does not expect that there will be any further obstacles to WKP accessing the WTS tariff.

Yours truly,



Robert J. Pellatt

DWE/mmc

cc: Mr. Robert H. Hobbs, Director
Regulatory Affairs and Corporate Secretary
West Kootenay Power Ltd.