



LETTER NO. L-56-09

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

Log No. 29698

ERICA M. HAMILTON
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>

VIA EMAIL

August 6, 2009

Mr. Robin Lucas
President
Line Contractors' Association of BC
Unit 324, 12388-88th Avenue
Surrey, BC V3W 7R7

Ms. Joanna Sofield
Chief Regulatory Officer
British Columbia Hydro and Power Authority
333 Dunsmuir Street
Vancouver, B.C. V6B 5R3

Dear Mr. Lucas and Ms. Sofield:

Re: British Columbia Hydro and Power Authority ("BC Hydro")
Customer Complaint – Line Contractors' Association of British Columbia ("LCA")

On June 8, 2009 the British Columbia Utilities Commission (the "Commission") received a complaint from the LCA stating that BC Hydro is exercising unjust and unreasonable practices in its contracting with the private power line contractor sector, as represented by the LCA (the "LCA Complaint").

The LCA Complaint includes four key issues:

1. BC Hydro's misleading and false statements regarding cost effectiveness; and
2. BC Hydro's failure to develop a formal policy on competitive tendering; and
3. Unnecessary expense to ratepayers; and
4. Negative impressions towards the LCA.

Under section 26(a) of the Utilities Commission Act, the LCA requests the following relief:

1. The Commission immediately direct BC Hydro to make formal written withdrawal of its claims made before the Commission of superior cost-effectiveness to the private power line contractors; and
2. The Commission immediately direct BC Hydro to shut down its grossly inefficient field construction services work force; and
3. The Commission to determine a set of just and reasonable standards and practices to ensure that BC Hydro assigns its line work to the private sector on a competitive basis going forward.

On July 6, 2009 BC Hydro responded to the LCA Complaint and submits that it is unfounded and untimely, ought to be dismissed without further process. In its response, BC Hydro noted that it intends to fully address the issues raised by the LCA in the F2011 Revenue Requirements Application ("RRA"). On July 17, 2009 the LCA filed its response to the BC Hydro submission.

The Commission has reviewed the submissions and dismisses the LCA Complaint against BC Hydro noting that the LCA did not intervene in the F2009/10 RRA proceeding. The Commission is concerned with the disparity in the parties positions; however, is of the view that the appropriate forum for addressing such concerns is a Revenue Requirement proceeding. As a result, the Commission directs BC Hydro to fully address the issues raised in the LCA Complaint in its F2011 RRA, which is expected to be filed in February 2010.

Yours truly,

Original signed by:

Erica M. Hamilton

CM/cms