



LETTER NO. L-92-09

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

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

Log No. 30988

VIA E-MAIL

bchydroregulatorygroup@bchydro.com

BC HYDRO – RECONSIDERATION 2008 LTAP – G-91-09	EXHIBIT A-1
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October 13, 2009

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

Dear Ms. Sofield:

Re: British Columbia Hydro and Power Authority
Application for Reconsideration with respect to the 2008 Long Term Acquisition Plan

The Commission Panel has reviewed the October 7, 2009 letter from British Columbia Hydro and Power Authority ("BC Hydro") requesting reconsideration and variance of condition 7 of Commission Order G-91-09 dated July 27, 2009. Condition 7 directs BC Hydro to comply with all other directives in the 2008 Long Term Acquisition Plan ("2008 LTAP") Decision accompanying Order G-91-09 ("Reconsideration Application").

The Commission Panel accepts BC Hydro's request that the Reconsideration Application should proceed directly to Phase 2 of the two-phase reconsideration process. This letter establishes the regulatory process and timetable for the Commission to hear the full arguments on the merits of the application from BC Hydro and Intervenor who wish to make submissions.

BC Hydro seeks to vary two Directives in the 2008 LTAP Decision, respectively Directive 32 on the future LTAP filing date and Directive 45 on the determination that Voltage Optimization programs are not Demand Side Management ("DSM") initiatives. BC Hydro also seeks clarification regarding BC Hydro's treatment of the 400 megawatt (MW) market reliance.

With respect to Directive 32, BC Hydro submits that the Commission has made errors in fact and in law and submits there was no evidence before the Commission to support a finding of fact that a June 2010 filing date for the next LTAP gives BC Hydro sufficient time to consider the 2008 LTAP Decision and that the Commission failed to address relevant considerations as part of its decision including BC Hydro's evidence that a June 2010 filing date for the next LTAP does not give BC Hydro sufficient time.

In addition, BC Hydro submits that there have been fundamental changes in circumstances or facts since the 2008 LTAP decision relevant to the next LTAP filing date.

With respect to Directive 45, BC Hydro submits that the Commission erred in law in acting outside its jurisdiction. BC Hydro submits that there is no provision in the *Utilities Commission Act* ("UCA") giving the Commission the jurisdiction to determine an initiative is not DSM if that initiative meets the definition of demand-side measure set out in section 1 of the UCA.

Lastly, BC Hydro requests that the Commission provide clarification with respect to the treatment of the 400 MW market reliance for the purposes of potential future Resource Smart capacity upgrades, capacity-focused DSM Definition phase work, and other capacity-related resource acquisition activity.

The Commission Panel has determined that the Reconsideration Application should proceed by way of written submissions and establishes the following regulatory timetable:

Intervenor Submissions
BC Hydro Reply Submissions

Tuesday, October 27, 2009
Wednesday, November 4, 2009

Yours truly,

Original signed by:

Erica M. Hamilton

cms

cc: BCH2008 LTAP Intervenor