



LETTER L-8-12

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VIA EMAIL

bchydroregulatorygroup@bchydro.com

February 10, 2012

Ms. Janet Fraser
Chief Regulatory Officer
British Columbia Hydro and Power Authority
17th Floor, 333 Dunsmuir Street
Vancouver, BC V6B 5R3

Dear Ms. Fraser:

Re: British Columbia Utilities Commission
A Filing by British Columbia Hydro and Power Authority (BC Hydro)
for the
Electricity Purchase Agreement between BC Hydro and Conifex Power Inc.

On January 9, 2012, BC Hydro filed with the British Columbia Utilities Commission (Commission), pursuant to section 71 of the *Utilities Commission Act* (Act), the Electricity Purchase Agreement between BC Hydro and Conifex Power Inc. made as of June 10, 2011 (EPA) and Amendment Agreement No. 1 made as of October 5, 2011 (Amendment) (collectively Filing).

BC Hydro included with the Filing, a copy of the Load Displacement Agreement (LDA) between BC Hydro, Conifex Power Inc., Conifex Mackenzie Forest Products Inc., and Conifex Timber Inc. made as of June 10, 2011. The LDA has been included with the Filing for information purposes only to assist in the review of the EPA and BC Hydro is not seeking an Order from the Commission with respect to the LDA.

On February 7, 2012, BC Hydro, in its letter, states "Once again, BC Hydro challenges Celgar's standing in this Filing. As noted in BC Hydro's February 3, 2012 letter, Celgar has no identified interest in this proceeding: it is not a BC Hydro ratepayer; it is not located within BC Hydro's service area; and it is not a competitor in the same industry. Accordingly, BC Hydro questions how the outcome of this Filing is capable of having an impact on Celgar. No BC Hydro ratepayers have raised any concerns with the EPA (or LDA) and no BC Hydro ratepayers have requested a hearing of any kind. It is simply unacceptable that a company with no identified interest in a proceeding should be able to raise matters or prolong a Filing at the expense of BC Hydro and its ratepayers when ratepayers have not shown any interest in the Filing and have not requested a hearing."

By this letter, the Commission is seeking to receive comments on Celgar's standing in this Filing from Celgar and all other parties who wish to provide comment, by no later than Tuesday, February 14, 2012 at 5:00 p.m. BC Hydro is to submit its reply to Celgar's comment no later than Wednesday, February 15, 2012 at Noon.

Yours truly,

Alanna Gillis

DJF/cms

Cc: Kwadacha Band
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Registered Interveners
(BCH- F12/F14 RRA)