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VIA E-MAIL

bhydroregulatorygroup@bhydro.com

July 15, 2009

BC HYDRO

WANETA TRANSACTION

EXHIBIT A-2

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

Dear Ms. Sofield:

Re: British Columbia Hydro and Power Authority
Project No. 3698565
Acquisition from Teck Metals Ltd. of an Undivided One-Third Interest
in the Waneta Dam and Associated Assets

Further to your July 6, 2009 filing of the acquisition of an undivided one-third interest in Waneta Dam and Associated Assets, enclosed please find Commission Order G-88-09 establishing a Regulatory Timetable.

Yours truly,

Original signed by:

Erica M. Hamilton

yl
Enclosure



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-88-09

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by British Columbia Hydro and Power Authority
for the Acquisition from Teck Metals Ltd. of an Undivided One-Third Interest
in the Waneta Dam and Associated Assets

BEFORE: A.W.K. Anderson, Commissioner
and Panel Chair
P.E. Vivian, Commissioner July 15, 2009
D.A. Cote, Commissioner

O R D E R

WHEREAS:

- A. On June 17, 2009 British Columbia Hydro and Power Authority ("BC Hydro") entered into a non-binding master terms sheet (the "Term Sheet") with Teck Metals Ltd. and Teck Resources Limited (collectively "Teck") that contemplates the sale and purchase of an undivided one-third interest in the Waneta Dam on the Pend d'Oreille River and associated assets (the "Waneta Assets"); and
- B. On July 6, 2009 BC Hydro applied (the "Application") pursuant to section 44.2(1) of the *Utilities Commission Act* (the "Act") requesting acceptance by the British Columbia Utilities Commission (the "Commission") that proceeding with the expenditures contemplated in the Term Sheet are in the public interest pursuant to section 44.2(3)(a) of the Act; and
- C. The scheduled expenditures consist of an \$825 million payment to Teck plus transaction costs estimated at \$25 million; and
- D. In the Application BC Hydro proposes that definitive agreements (the "Definitive Agreements") providing the terms under which Teck will sell and BC Hydro purchase the Waneta Assets, will be resolved over July and August 2009, and that BC Hydro will file the Definitive Agreements with the Commission; and
- E. The Definitive Agreements will include a co-ownership and operating agreement (the "Operating Agreement") with Teck providing that Teck, as majority owner and current operator of the Waneta Dam, will be empowered to make certain expenditures that are required to reflect good utility practice and to charge BC Hydro for one-third of such expenditures in accordance with the terms of the Definitive Agreements; and

- F. In the Application BC Hydro seeks the Commission's acknowledgement that the relationship in the Operating Agreement is in the public interest; and
- G. The justification in the Application of the purchase of the Waneta Assets is based in part on the analysis filed by BC Hydro in its 2008 Long term Acquisition Plan ("2008 LTAP"), and BC Hydro states that it will update the Application, if necessary, after it has reviewed the Commission's Decision on the 2008 LTAP; and
- H. The Commission considers that a Procedural Conference is required to hear submissions on the appropriate regulatory process for the review of the Application.

NOW THEREFORE the Commission orders as follows:

1. A Procedural Conference regarding the regulatory process for the review of the Application will be held on Monday, August 17, 2009, commencing at 8:00 a.m. and ending by 11:00 a.m. in the Commission Hearing Room on the Twelfth Floor, 1125 Howe Street, Vancouver, BC, to address procedural matters which will include, but may not be limited to, the following:
 - a) identification of the principal issues arising from or related to the Application,
 - b) process options for the review of the Application, including an oral public hearing, a written public hearing or some other process,
 - c) if an oral public hearing is required, where it should be held,
 - d) whether any Intervenors intend to submit written evidence,
 - e) the Regulatory Timetable for information requests and responses, written evidence, other submissions and other steps in the process, and
 - f) other matters that will assist the Commission to efficiently review the Application.
2. The initial Regulatory Timetable for the Procedural Conference and review of the Application is attached as Appendix A. The Commission will issue a further procedural Order and Regulatory Timetable for the proceeding following the Procedural Conference.
3. BC Hydro will publish, as soon as possible, in display-ad format, the Notice attached as Appendix B to this Order, in the Vancouver Sun, the Province, the Victoria Times Colonist and such other appropriate local news publications as may properly provide adequate notice to residents in the vicinity of the Waneta Dam.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-88-09**

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4. The Application, together with any supporting materials, will be made available for inspection at the BC Hydro offices at 333 Dunsmuir Street, Vancouver, BC, V6B 5R3, and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3 and will also be available on the BC Hydro website.
5. Intervenors or Interested Parties should register with the Commission in writing or by electronic submission by Wednesday, August 5, 2009, and advise whether they intend to attend the Procedural Conference. Intervenors should specifically state the nature of their interest in the Application and identify generally the nature of the issues that they may intend to pursue during the proceeding and the nature and extent of their anticipated involvement in the review process.
6. To assist the discussion at the Procedural Conference, Intervenors are requested to file by Wednesday, August 12, 2009, a written submission that identifies the issues that they intend to pursue during the proceeding, and if possible outlines the regulatory process that the Intervenors recommend for the review of the Application.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of July 2009.

BY ORDER

Original signed by:

A.W. Keith Anderson
Commissioner and Panel Chair

Attachments



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REGULATORY TIMETABLE

ACTION	DATE (2009)
Commission Information Request No. 1	Thursday, July 23
Registration of Intervenors and Interested Parties with the Commission	Wednesday, August 5
BC Hydro Responses to Information Request No. 1	Tuesday, August 11
Procedural Conference	Monday, August 17



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NOTICE OF APPLICATION AND PROCEDURAL CONFERENCE

DATE:	Monday, August 17, 2009
TIME:	8:00 a.m. to 11:00 a.m.
LOCATION:	Commission Hearing Room Twelfth Floor 1125 Howe Street Vancouver, BC

THE APPLICATION

On July 6, 2009 British Columbia Hydro and Power Authority applied to the British Columbia Utilities Commission to accept that an expenditure for the purchase from Teck Metals Ltd. of a one-third undivided interest in the Waneta Dam and associated assets is in the public interest. The Waneta Dam is on the Pend d'Oreille River near Trail, BC, and the expenditure involves a payment of \$825 million to Teck, plus transaction costs of approximately \$25 million. BC Hydro also requests the Commission's acknowledgment that an Operating Agreement that will oblige BC Hydro to pay a one-third share of water rentals, insurance, maintenance, operating and capital costs is also in the public interest.

The Application includes a non-binding master Term Sheet, and BC Hydro proposes to file the Definitive Agreements with Teck after they have been executed. BC Hydro based its analysis of the purchase of the Waneta assets in part on its 2008 Long Term Acquisition Plan, and proposes to update the Application if necessary after it has reviewed the Commission's Decision on the 2008 LTAP.

BC Hydro states that the Waneta asset purchase will provide it with a long-term resource of approximately 167 Megawatts of dependable capacity and 890 Gigawatt-hours of firm energy. BC Hydro submits that the resource is already in operation, has a demonstrated reliability track record, generates clean and renewable energy and is attractively priced.

THE REGULATORY PROCESS

The Commission will hold a Procedural Conference on Monday, August 17, 2009 commencing at 8:00 a.m. in the Commission Hearing Room at Twelfth Floor, 1125 Howe Street, Vancouver, BC to hear submissions on the regulatory process for review of the Application. The initial Regulatory Timetable for the Procedural Conference can be viewed on the Commission website at www.bcuc.com.

INTERVENTIONS

Persons who expect to actively participate in the BC Hydro proceeding should register as Intervenors with the Commission and should identify the issues that they intend to pursue and the nature and extent of their anticipated involvement in the review process. Intervenors will each receive a copy of the Application and all correspondence and filed documentation and should provide an e-mail address if possible.

Persons not expecting to actively participate, but who have an interest in the proceeding should register as Interested Parties. Interested Parties will receive a copy of the Executive Summary in the Application, and all Orders and Decisions issued.

Intervenors and Interested Parties should register in writing no later than **Wednesday, August 5, 2009**. Notification by mail, courier delivery, fax or e-mail is acceptable.

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission's web site.

PUBLIC INSPECTION OF THE DOCUMENTS

The Application and supporting materials will be available for inspection at the following locations:

British Columbia Utilities Commission

Sixth Floor, 900 Howe Street
Vancouver, BC V6Z 2N3 Telephone: 1-800-663-1385

British Columbia Hydro and Power Authority

333 Dunsmuir Street
Vancouver, BC V6B 5R3

Internet: www.bchydro.com and www.bcuc.com

FURTHER INFORMATION

For further information please contact Ms. Erica Hamilton, Commission Secretary as follows:

Telephone: (604) 660-4700
Telephone (BC Toll Free): 1-800-663-1385
Facsimile: (604) 660-1102
E-mail: Commission.Secretary@bcuc.com