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VIA E-MAIL

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April 17, 2007

**FORTISBC ~ NARAMATA
SUBSTATION CPCN**

EXHIBIT A-1

Mr. David Bennett
General Counsel and Corporate Secretary
FortisBC Inc.
5th Floor
1628 Dixon Avenue
Kelowna, B.C. V1Y 9X1

Dear Mr. Bennett:

Re: FortisBC Inc.
Project No. 3698458/Order No. G-42-07
Customer Complaints regarding the Naramata Substation Project

Further to complaints received regarding the Naramata Substation Project, enclosed is Commission Order No. G-42-07 establishing an oral public hearing into the Project.

Yours truly,

Original signed by:

Robert J. Pellatt

cms
Enclosure

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-42-07

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

and

FortisBC Inc.
and Customer Complaints regarding the Naramata Substation Project

BEFORE: L.F. Kelsey, Commissioner April 12, 2007

O R D E R

WHEREAS:

- A. The Naramata Substation Project to rebuild the Naramata substation at a different site (the "Project") was included in the FortisBC Inc ("FortisBC") 2005 Capital Expenditure Plan that formed part of the 2005 Revenue Requirements, System Development Plan and Resource Plan Application; and
- B. After the 2005 Capital Expenditure Plan was reviewed in an oral public hearing, the Commission by Order No. G-52-05 approved all capital projects in the 2005 Capital Expenditure Plan except for four projects, for which FortisBC was directed to submit Certificate of Public Convenience and Necessity ("CPCN") Applications. The Project was not one of these four projects; and
- C. After receiving correspondence from a number of local residents about the execution of the Project by FortisBC, by letter dated July 13, 2006 the Commission requested that FortisBC file a status report for the Project; and
- D. FortisBC filed a status report on the Project on July 21, 2006 that addressed its site selection process and other matters; and
- E. FortisBC subsequently filed additional information about the Project on August 11, August 18, September 15, October 26 and November 16, 2006, and February 14 and March 15, 2007; and

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- F. On November 1, 2006, FortisBC held a public information session in Naramata to review the Fire Hall and Arawana Road potential substation sites, which was attended by approximately 200 residents; and
- G. In its March 15, 2007 filing, FortisBC advised that it had completed its review of the Fire Hall and Arawana Road sites for the Project, and that it intends to construct the Project at the Arawana Road site based on a number of factors including costs, operations and safety, aesthetics and flexibility for future growth; and
- H. The Commission has received a considerable amount of correspondence referencing concerns about FortisBC's decision to proceed at the Arawana Road site and requesting that the Commission require FortisBC to apply for a CPCN for the Project and hold a public hearing into the matter; and
- I. The Commission has considered the submissions that it has received on the matter and has concluded that an oral public hearing into the siting of the substation is required; and

NOW THEREFORE the Commission orders as follows:

1. The Commission directs that any construction work on the Project will be suspended immediately in an orderly and safe manner, pending further instructions from the Commission.
2. Pursuant to Section 82 of the Utilities Commission Act (the "Act"), the Commission establishes an oral public hearing into Project siting options and related costs and issues. The Regulatory Timetable, date, time and location of the hearing will be determined in a future Order.
3. The Commission directs FortisBC to file a Report comparing the Arawana and Fire Hall siting alternatives, and such other siting options as FortisBC wishes to include, by Monday, April 30, 2007. The Report will provide the information identified in Appendix A and may include the FortisBC letter dated April 10, 2007 to the Commission.

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4. When it files the Report, the Commission requests FortisBC to provide a proposed Regulatory Timetable for the hearing, which includes one set of written Information Requests.
5. FortisBC will publish, by Wednesday, April 25, 2007 or as soon as possible thereafter, in display ad format, the Notice of Oral Public Hearing attached as Appendix B to this Order, in the appropriate sections of local news publications that will properly provide adequate notice to the public in the Naramata area.
6. FortisBC will provide a copy of this Order to all parties that attended the November 1, 2006 public information session or who have otherwise contacted it regarding the Project, to the extent it is possible to do so.
7. Intervenors and Interested Parties are to register with the Commission, in writing, by Monday, May 7, 2007.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of April 2007.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachment



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FORTISBC INC.
NARAMATA SUBSTATION PROJECT

Report Comparing Siting Alternatives for the Substation

The Report will provide a summary of expenditures to date, a total project cost estimate and project schedule for the substation and transmission and distribution line connections that are included in the Naramata Substation Project, for each site alternative. A summary of the agreements, permits and approvals that remain outstanding for each site will be included.

The Report will also provide a table similar to the following that compares the sites on the basis of non-financial criteria. FortisBC should provide a definition for each criteria, and suggest additional or revised criteria, where necessary. The criteria should be clearly defined and non-redundant. A score of 5 is suggested for the best performing alternative, and the weighting factors for the criteria should sum to 100.

	Criterion	Weighting Factors	Arawana		Fire Hall		Other	
			Rank	Weighted Rank	Rank	Weighted Rank	Rank	Weighted Rank
1.	Reliability							
2.	Operations & Safety							
3.	Public Health							
4.	Risk of Delay							
5.	First Nations							
6.	Terrestrial Habitat							
7.	Parks & Recreation							
8.	Aesthetics							
9.	Property Values							
10.	EMF							
11.	Effects during Construction							
12.	Flexibility for Future Growth							
13.	Totals	100						



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FORTISBC INC.
NARAMATA SUBSTATION PROJECT

NOTICE OF ORAL PUBLIC HEARING

DATE, TIME AND LOCATION to be determined

THE PROJECT

The 2005 Capital Expenditure Plan of FortisBC Inc. ("FortisBC") included the Naramata Substation Project to rebuild the Naramata substation at a different site. In Order No. G-52-05 that responded to the 2005 Capital Expenditure Plan, the Commission approved the project. In letters dated March 15 and April 10, 2007, FortisBC reviewed its selection of a site for the new substation, and advised that it was proceeding to construct the substation on the Gibbard property site on Arawana Road rather than the Fire Hall site at Naramata Road and Debeck Road.

THE REGULATORY PROCESS

In response to correspondence from a member of interested parties referencing concerns about FortisBC's decision to proceed at the Arawana site, by Order No. G-42-07 the Commission established an oral public hearing into the siting of the substation, and directed FortisBC to file a Report on the siting options by April 30, 2007. The Regulatory Timetable, date, time and location for the hearing will be determined at a future date.

Participant Assistance/Cost Award funding will be available for this proceeding, consistent with the criteria in the Guidelines that are Appendix A to Order No. G-15-04. The Commission has typically interpreted the Guidelines to mean that it will not fund individuals, individual business interests or municipalities

INTERVENTIONS

Persons who expect to actively participate in the proceeding should register as Intervenor with the Commission, in writing, by Monday, May 7, 2007, identifying their interest in the hearing to review Project siting. Intervenor will receive copies of the Report as well as all correspondence and filed documentation and should provide an e-mail address if available.

Persons not expecting to actively participate in the proceeding, but who have an interest in the Project, should register as Interested Parties with the Commission, in writing, by Monday, May 7, 2007, identifying their interest in the matter. Interested Parties will receive a copy of the Report and all Orders issued.

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

PUBLIC INSPECTION OF THE DOCUMENTS

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

FortisBC Inc.
Head Office
Fifth Floor 1628 Dickson Avenue
Kelowna, B.C. V1Y 9X1
<http://www.fortisbc.com>

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, BC V6Z 2N3
Telephone: 1-800-663-1385
<http://www.bcuc.com>

FortisBC Inc.
Trail Office
1290 Esplanade
Trail, B.C. V1R 4L4

FURTHER INFORMATION

For further information, please contact the Commission Secretary, Mr. Robert Pellatt as follows:

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