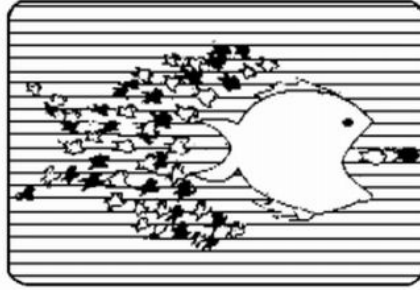


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April 26, 2006

VIA E-MAIL

Robert J. Pellatt
Commission Secretary
BC Utilities Commission
Sixth Floor - 900 Howe Street
Vancouver, BC V6Z 2N3

**Re: BCTC CPCN Application Vancouver Island Transmission Reinforcement Project Sea
Breeze Victoria Converter Corporation CPCN Application Vancouver Island Cable
Project**

Enclosed is BCOAPO's Reply to Intervenor Arguments in this proceeding.

Yours sincerely,

BC PUBLIC INTEREST ADVOCACY CENTRE

Original in file signed by:

Richard J. Gathercole
Counsel for BCOAPO

c: BCTC
Intervenors

Encl.

**British Columbia Transmission Corporation CPCN Application
Vancouver Island Transmission Reinforcement Project
Sea Breeze Victoria Converter Corporation CPCN Application
Vancouver Island Cable Project**

BCOAPO Reply to Intervenor Arguments

April 26, 2006

1. This is the reply argument of BC Old Age Pensioners' Organization, Council of Senior Citizens' Organizations, federated anti-poverty groups of BC, End Legislated Poverty, BC Coalition of People with Disabilities, Active Support Against Poverty, and Tenants Rights Action Coalition, (collectively "BCOAPO") to intervenors' submissions.
2. This reply will focus on the following issues of concern to BCOAPO:
 - a) consideration of the alternatives to VITR,
 - b) South Delta routing issues, and
 - c) response to TRAHVOL's complaint under section 25 of the *Utilities Commission Act*.

Alternatives to VITR

3. A number of intervenors, notably Sea Breeze, IRAHVOL, the Corporation of Delta and TRAHVOL, as an alternative take the position that the VITR application ought to be rejected and the Commission should direct BCTC to negotiate with Sea Breeze with respect to the JdF Project and/or the VIC Project.
4. In BCOAPO's submission this is not an acceptable alternative. Given the time constraints for provision of service to Vancouver Island which have been established by the Commission, this could result in unnecessary delay.
5. Although Sea Breeze and IRAHVOL suggest that a limited process to review the results of the negotiations (assuming they are successful) would be appropriate (Sea Breeze April 29, 2006 Final Submission paragraphs 381-383; IRAHVOL April 29, 2006 Final Argument pages 81-82), BCOAPO does not agree. If the negotiations were successful, a new application would be required by BCTC for a CPCN; if the negotiations were successful, BCTC should be required to either file a CPCN application for a VIC project or an application for approval of contractual

terms with respect to the JdF Project. Interested and affected parties should have a full opportunity to consider the implications of either application, particularly the financial ramifications.

6. With respect to a potential VIC Project the details could vary in many respects from the project originally proposed by Sea Breeze in this application. With respect to the JdF project, there was only the broadest general framework of what such an agreement could constitute discussed in the evidence in this proceeding. A number of issues remain to be resolved. These are explored in some detail on pages 21-45 of BC Hydro's April 19, 2006 Argument. Sea Breeze's April 19, 2006 Final Submission underlines the uncertainties of the JdF project.

8. To require BCTC (and/or BC Hydro) to negotiate with Sea Breeze with the VITR application rejected would create serious problems. In the first place it would put real pressure on them, given the established timelines for providing service to Vancouver Island, to reach a settlement which might not be in the best interest of BC Hydro's ratepayers.

9. Alternatively, if negotiations were unsuccessful, BCTC would be required to reapply to the Commission for approval of VITR or something similar.

10. Some parties (Corporation of Delta as an alternative, South Delta Secondary School Parent Advisory Council, Karsten Holmsen, Bradley Campbell) argue for approval of VITR with South Delta routing options other than 1 or 2. This approach would also require further work by BCTC (and, potentially, further Commission approvals) and based on the evidence in this proceeding would require substantial increased costs to BCTC and BC Hydro's ratepayers (Exhibit B1-54; Response to BCUC IR 4. 203)

South Delta Routing

11. In BCOAPO's submission, the continuing opposition of Tsawwassen residents and their representatives to either Option 1 or 2 as set out in the arguments of TRAVHOL, South Delta Secondary School Parent Advisory Council, Karsten Holmsen, Bradley Campbell and the Corporation of Delta suggest that all the attempts of BCTC to satisfy them through its preference for Option 2 were for naught. The arguments put forward by BCTC for its preference for Option 2 should therefore be rejected.

12. TRAHVOL's strong submissions in opposition to BCTC's proposal to proceed with Option 2 if 51% of the owners along the right-of-way are prepared to negotiate in exchange of rates with BCTC (TRAVHOL April 19 Argument paragraphs 13-20), makes that proposal or any variation thereof, in BCOAPO's submission, unworkable.

TRAHVOL'S Section 25 Complaint

13. BCOAPO opposes TRAHVOL's Section 25 complaint for a number of reasons.

14. The only possible ground under Section 25 of the *Utilities Commission Act* is that the continued operation of the lines through Tsawwassen is unsafe. The onus is on TRAHVOL to establish, on the basis of the evidence before the Commission, that this is the case either with respect to EMF issues or potential earthquake concerns. In BCOAPO's submission, the evidence before the Commission does not establish the danger of the nature sufficient to warrant removal of the existing lines. BCOAPO's position on EMF issues was addressed in its April 19, 2006 Argument (page 11). A potential earthquake would impact more than the existing transmission lines; the impact on the residences themselves would arguably be at least as great.

15. Removal of the existing lines would require additional costs to be incurred by BC Hydro Ratepayers. While TRAHVOL asserts that the cost would be minimal, its evidence in this respect is weak. In paragraph 147 of its April 19, 2006 Argument it agrees that "BCTC has not explored these options in any detail such that a reasonable cost estimate can be determined"

16. TRAHVOL's complaint is predicated on the Commission not approving either option 1 or option 2 of the VITR project. As BCOAPO and other have argued, option 1 is clearly the preferable option, taking into account the test set out in section 45(1) of the *Utilities Commission Act*.

17. BCOAPO is also concerned that acceptance of TRAHVOL's complaint would have significant potential ramifications to BCTC and other Commission-regulated utilities. In this respect BCOAPO agrees with and adopts paragraphs 33-41 of the April 19, 2006 Final Submission of the Joint Industry Electricity Steering Committee.

18. In BCOAPO's submission to accept TRAHVOL's complaint would be to establish a serious precedent. No matter where a utility right-of-way was originally established, it would be subject to individuals who, being fully aware of the existence of a right-of-way, choose to build

or purchase homes immediately adjacent thereto and then argue that, for their convenience and benefit, the right-of-way should cease to be utilized, to the detriment of the utility's customers.

19. Even if the Tsawwassen situation could be considered in any way unique, such a decision would inevitably give rise to similar applications from others impacted by the location of transmission or distribution lines, all of whom could argue that their situation was in some ways "unique". The potential costs to British Columbia utilities and their customers could be significant.

20. Accordingly, in BCOAPO's submission, the Commission should reject TRAHVOL's Section 25 complaint.

All of which is respectfully submitted.

Original in file signed by:

Richard J. Gathercole
Counsel to BCOAPO