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By Electronic Filing

British Columbia Utilities Commission
Suite 410, 900 Howe Street
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Attention: Mr. Patrick Wruck, Commission Secretary and Manager, Regulatory Support

Dear Mr. Wruck:

**Re: FortisBC Energy Inc. ~ Application for Use of Lands under Sections 32 and 33 of the *Utilities Commission Act* in the City of Coquitlam for the Lower Mainland Intermediate Pressure System Upgrade (LMIPSU) Projects
Project No. 1598963**

We enclose for filing in the above proceeding FortisBC Energy Inc.'s Reply Submission pursuant to the established regulatory timetable.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

[Original signed by]

Tariq Ahmed

TVA/vde
Enclosure



BEFORE THE BRITISH COLUMBIA UTILITIES COMMISSION

**FORTISBC ENERGY INC. APPLICATION FOR USE OF LANDS UNDER
SECTIONS 32 AND 33 OF THE *UTILITIES COMMISSION ACT* IN THE CITY
OF COQUITLAM FOR THE LOWER MAINLAND INTERMEDIATE
PRESSURE SYSTEM UPGRADE PROJECTS**

REPLY SUBMISSION OF FORTISBC ENERGY INC. ON PHASE TWO ISSUES

January 17, 2019

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PART ONE: INTRODUCTION

1. FEI's Final Submission¹ on Phase Two Issues dated December 19, 2018 anticipated and addressed most of the matters raised in the City's Final Submission. The CEC's submission dated January 10, 2019 was largely supportive of FEI's Final Submission.
2. In this Reply Submission, we have addressed matters where further response is necessary, without unnecessarily repeating FEI's Final Submission. FEI's silence on a particular matter should not be construed as agreement with another party's submissions.
3. The essence of the City's position appears to be that:
 - (a) FEI must remove the NPS 20 IP gas line upon decommissioning notwithstanding (a) FEI's undisputed right to have installed the NPS 20 IP gas line under the Operating Agreement, the *GUA*, the CPCN granted by the BCUC's predecessor to FEI's predecessor in 1955 and FEI's deemed CPCN pursuant to section 45(2) of the *UCA*, and (b) the absence of any requirement to remove the NPS IP 20 gas line in the Operating Agreement, the Project CPCN or relevant legislation.
 - (b) FEI should repave all four lanes of Como Lake Road for the entire length of the Project in the City based upon speculation that damage will occur, despite contradictory evidence from FEI.
4. As described in FEI's Final Submission, the long-standing Operating Agreement between the parties is a full answer to both of the City's demands.
5. As described in Part 2 of this Reply Submission, the City's interpretation of the Operating Agreement, legislation and the Project CPCN with respect to the removal of the NPS 20 IP gas line is incorrect. FEI was authorized by CPCN to place the NPS 20 IP gas line, and is authorized to abandon the NPS 20 IP gas line in place. In addition, the basis of the City's requirement for the removal of the NPS 20 IP gas line is speculative. While the City can request

¹ Abbreviations used in FEI's Final Submission are also used in this Reply Submission.

the relocation of a gas line, section 5(a) of the Operating Agreement includes a cost allocation methodology, which requires the City to pay for the bulk of the cost.

6. As described in Part 3 of this Reply Submission, the City's position with respect to paving is based on speculation about the extent of damage to Como Lake Avenue, and should be rejected. FEI will reinstate disturbed areas of pavement in accordance with Section 8 of the Operating Agreement.

PART TWO: ALLOCATION OF NPS 20 IP GAS LINE REMOVAL COSTS

7. This Part replies to the City's submissions with respect to its demand that FEI remove the NPS 20 IP gas line now at a cost of tens of millions of dollars, and for FEI (and its customers) to bear the entirety of that cost. The Operating Agreement applies to a removal request from the City, including the cost allocation formula contained therein. The City's interpretation of the *UCA* and the Project CPCN are incorrect; both the *UCA* and the CPCN allow the decommissioned gas line to remain. In any event, the City has not demonstrated a need to remove the NPS 20 IP gas line. If the City wishes to make use of its contractual right under the Operating Agreement to request that FEI remove the abandoned NPS 20 IP gas line, removal costs should be allocated in accordance with the Operating Agreement.

A. THE CITY'S INTERPRETATION OF THE OPERATING AGREEMENT IS INCORRECT

8. The thrust of the City's position with respect to the abandonment of the NPS 20 IP gas line appears to be the City's assertion that FEI does not have a right to "store" the gas line. However, the City's position sidesteps the plain language of FEI's Operating Agreement with the City under which the NPS 20 IP gas line was "placed" and "constructed". The City has not disputed the right of FEI's predecessor to build the NPS 20 IP gas line. The City's submissions attempt to conjure an obligation for FEI to remove the lawfully placed NPS 20 IP gas line that:

- (a) cannot be found in the Operating Agreement; and
- (b) runs contrary to the applicable relocation language found in the Operating Agreement.

9. There is no requirement for the BCUC to grant FEI property rights for the abandonment of the NPS 20 IP gas line as asserted by the City.² FEI had a right to place the gas line where it is. As described in FEI's Final Submission, the 1955 CPCN, the *GUA* and the

² City Final Submission, para. 33.

Operating Agreement gave FEI the right to place the NPS 20 IP gas line and do not require its removal.³

10. The City states that the *OGAA* scheme is not applicable to the NPS 20 IP gas line because the gas line is in land owned and controlled by the City.⁴ The City does not provide any further explanation for this position, which would result in a regulatory gap, meaning that the BC Oil and Gas Commission (“BC OGC”) would not have authority to regulate oil and gas activities within municipal boundaries. It is also contrary to language found in the *OGAA*, which includes references to the *Local Government Act*, such as section 23(3) which deals with protected heritage property designated under the *Local Government Act*. It should be noted that FEI’s obligations as a permit holder from the BC OGC with respect to the integrity of the NPS 20 IP gas line (which is located entirely within three municipal boundaries) underpinned FEI’s Project CPCN application for the NPS 30 IP gas line to begin with. FEI committed to replacement of the NPS 20 IP gas line as an integral part of its response to BC OGC Order 2013-25.⁵

11. The City’s parsing of the *GUA* mischaracterizes what has occurred.⁶ There is no “storage of decommissioned pipes” as claimed by the City. The NPS 20 IP gas line was “placed”, “constructed” and “developed” for the distribution and delivery of natural gas. The *GUA* does not include a requirement to remove such a gas line after it is decommissioned. FEI’s right to have placed the NPS 20 IP gas line does not vanish when the line is decommissioned.

12. The statutory scheme referred to by the City provided that the placement, construction and development of the gas lines would occur in a municipality on such conditions as the municipality and the gas utility may agree upon. In the case of the City, agreed terms were set out in the Operating Agreement. Removal of a gas line on the City’s request was addressed in sections 4 and 5 of the Operating Agreement.

³ FEI Final Submission, paras. 10 and 81-82.

⁴ City Final Submission, para. 32.

⁵ CPCN Decision, pp. 6 and 7.

⁶ City Final Submission, paras. 37 and 38.

13. The rights that allowed the NPS IP 20 gas line to be installed do not lapse as asserted by the City. The utility's right to have installed the gas line is not challenged by the City, and the City's submission fails to identify a contractual or statutory requirement that requires that the gas line must be removed after it is decommissioned. As described in FEI's Final Submission:

- (a) FEI had rights to place the NPS 20 IP gas line. Those rights originated with its 1955 CPCN, the *GUA*, and Operating Agreement terms governing placement of the NPS 20 IP gas line. The CPCN and the *GUA* gave FEI the right to place assets and operate in the municipality, subject to reaching an agreement with the municipality.⁷
- (b) There is no provision of (a) the 1955 CPCN, (b) the *GUA*, or (c) any other legislation, that requires gas utility facilities placed in a municipality to be removed after they are decommissioned.⁸

14. The City's reliance on the language of section 7 of the Operating Agreement as supporting its position is also misplaced and does not support the City's interpretation.⁹ Section 7 provides protection for the utility in the event that lands are stopped or closed up from public use, and therefore no longer available to the utility. In such circumstances, the Operating Agreement sets out that the utility should not lose its ability to use the lands until an agreement is reached (which could include relocation of the works at the City's expense). The use of the term "abandonment" in section 7 also shows that the parties turned their mind to abandonment, and chose not to include an obligation to remove abandoned gas lines in public lands. The fact that FEI has rights when lands are closed up does not detract from the other rights granted under the Operating Agreement to place works.

⁷ FEI Final Submission, paras. 10 and 81.

⁸ FEI Final Submission, para. 81.

⁹ City Final Submission, para 39.

15. FEI's Final Submission explained how the parties also clearly turned their mind to removal of works, but did not require that removal occur upon decommissioning.¹⁰

16. FEI's Final Submission also explained how section 4 of the Operating Agreement properly applies,¹¹ contrary to the submissions of the City.¹²

17. The NPS 20 IP gas line is not "trespassing" as claimed by the City.¹³ As described in FEI's Final Submission, and above, the gas line was placed in accordance with the Operating Agreement. There is no obligation to remove it unless one can be found in contract. The Operating Agreement, which represents the extent of the agreement between the parties at this point in time, allows the City to make a request; however, it also spells out cost allocation provisions.

18. A key problem with the City's legal argument based on trespass¹⁴ is that it is premised on a provision of the *Community Charter* that is made subordinate to the framework in the *UCA* by virtue of sections 32, 33 and 121. Those sections place the BCUC in a position of being able to determine the appropriate resolution of disputes between municipalities and public utilities relating to utility infrastructure.

19. The effect of the City's legal argument based on trespass in paragraph 42 of its Final Submission is that the City (and potentially other municipalities in the province in the absence of agreed terms to the contrary) has the right to require all gas lines to be removed immediately from the ground as soon as gas is no longer flowing, irrespective of whether or not there is any operational reason or need for the City to ask for the removal of those facilities. The only way the gas lines could remain in the ground would be by agreement, which would no doubt come at a steep price. The cost implications of removing abandoned gas lines throughout municipalities would be staggering for customers of any gas utility in the province.

¹⁰ FEI Final Submission, paras.63 to 68.

¹¹ FEI Final Submission, paras. 69 to 72.

¹² City Final Submission, paras. 41 and 42.

¹³ City Final Submission, para. 42.

¹⁴ For example, City Final Submission, para. 40.

This is the very type of scenario that accounts for legislature's decision to place the BCUC (by virtue of sections 32 and 33 of the *UCA*) in the position of determining, in the absence of agreement, the parties' respective rights and obligations with respect to utility infrastructure. The BCUC is positioned to take into account the broader public interest.

20. FEI's Final Submission addressed the application of the cost sharing provision of the Operating Agreement,¹⁵ including the odd result if the application of the cost sharing provision did not apply to abandoned gas lines.¹⁶

B. THE CITY'S INTERPRETATIONS OF THE *UCA* AND THE PROJECT CPCN ARE INCORRECT

21. The City also mischaracterizes the relevant provisions of the *UCA* and the CPCN in relation to abandonment.¹⁷

22. FEI filed this application seeking an order for the use of City lands for the Project pursuant to sections 32 and 33 of the *UCA* in the face of the City's obstruction of FEI's ability to proceed with the Project. There is no requirement for an order from the BCUC granting FEI property rights to decommission the NPS 20 IP gas line,¹⁸ as FEI has already obtained the necessary rights by CPCN, the Operating Agreement and pursuant to the *GUA*.

23. The City's submissions note that the Project CPCN and the underlying decision do not "contain any directives or orders to the City as property owner and municipal government with regulatory authority over Como Lake Avenue".¹⁹ There is no reason for them to do so. The fallacy of the City's argument can be illustrated by taking a non-contentious example of a CPCN for construction of a project that may require public space. The fact that a CPCN is issued is authorization to the public utility and the authorization is all that is required vis-à-vis the municipality to construct the project. When authorization to construct is given by the Project CPCN, FEI does not need to go to the municipality to obtain authorization to construct as well.

¹⁵ FEI Final Submission, paras. 62 to 72.

¹⁶ City Final Submission, para. 42; FEI Submission, paras. 69 to 72.

¹⁷ City Final Submission, paras. 43 to 46.

¹⁸ City Final Submission, paras. 43 to 48.

¹⁹ City Final Submission paras. 49 to 51.

If the utility and the municipality are unable work out the operational details of the use of public space, an order can be sought from the BCUC under sections 32/33 of the *UCA*.

24. The City's submission also appears to overlook a portion of the decision accompanying the CPCN for the Project.²⁰ As described in FEI's Final Submission, the CPCN is unequivocal.²¹ In reply to the specific point made by the City with respect to the existence of "Directive 8" Order C-11-15 provided:

4. FEI is directed to comply with all the directives of the Commission set out in the Decision issued concurrently with this order.

[Emphasis added.]

25. The CPCN Decision accompanying Order C-11-15 included a summary of 35 directives beginning at page 69. Directive 8 (which was based on page 24 of the CPCN Decision) provided that:

The Panel approves FEI's abandonment plans and discontinuance of CP as proposed for both the Coquitlam Gate and Fraser Gate IP Projects.

[Emphasis added.]

26. The City also mischaracterizes FEI's position in stating that FEI's response to an Information Request said that FEI was granted a CPCN to abandon the NPS IP 20 gas line.²² In reality the response stated that "FEI is authorized to abandon the decommissioned NPS [20] IP gas line as part of the Project,"²³ which is the case.

27. It is clear that FEI was directed to comply with its abandonment plans as part of the Order. The City's assertion that such a directive that is referenced in the Order is "non-

²⁰ City Final Submission, paras. 48 to 54.

²¹ FEI Final Submission, para. 42.

²² City Final Submission, para. 50.

²³ Exhibit B-14, BCUC-FEI Phase Two IR 2.8.3.

legally binding”²⁴ should not be accepted by the BCUC. However, there was no need for the BCUC to grant any property rights as the right to place the NPS IP 20 gas line already existed for over 60 years as previously described.

28. As described in FEI’s response to BCUC Phase Two IR 2.9.3:²⁵

While FEI is authorized to abandon the decommissioned NPS 20 IP gas line as part of the Project, FEI would subsequently remove the gas line, or portions of the gas line, if requested by the City under the Operating Agreement. If such a request was made by the City on a timely enough basis to avoid the planned decommissioning activities and to allow for the removal of the gas line before completion of the Project, FEI would seek approval from the BCUC for this change from the BCUC’s direction with respect to abandonment in Order C-11-15.

C. THE CITY HAS NOT DEMONSTRATED A NEED TO REMOVE THE NPS 20 IP GAS LINE NOW

29. The City argues that the NPS 20 IP gas line “has to be removed to make space for other utility projects...”²⁶ The evidentiary basis for this argument is lacking. FEI addressed this point in its Final Submission, noting that:

(a) **The City Does Not Currently Need the Space:** The City admits that there is still capacity for utility installations even without the removal of the NPS 20 IP gas line: “At this time, in certain segments below Como Lake Avenue, there is capacity for utility installations without the removal of the NPS 20 pipe.”²⁷

(b) **The City May Never Need the Space:** The City conceded that it had not “evaluated all of the potential scenarios that will occur in terms of future developments within the City, future requirements for utility repairs, or future requirements of utility upgrades, or the needs of other third party utilities.”²⁸

²⁴ City Final Submission, para. 52.

²⁵ Exhibit B-14.

²⁶ City Final Submission, para. 26.

²⁷ FEI Final Submission, para. 86; Exhibit C1-10, BCUC-City Phase Two IR 2.10.5.1.

²⁸ FEI Final Submission, paras. 87-92; Exhibit C1-12, FEI-City Phase Two IR 1.2.6.

30. The City's submissions also acknowledge that "It would also be technically feasible for FEI to leave certain sections of the decommissioned NPS 20 pipe in place for an indefinite period if removal of a specific section is particularly problematic...".²⁹

31. Given the speculative nature of the City's claims regarding the use of the space, removing some or all of the NPS 20 IP gas line beyond the 380 metre segment identified by the City may prove to be unnecessary. The costs involved are too large to require FEI's customers to fund removal based on speculation. Furthermore, if the City never utilizes the space occupied by the NPS 20 IP gas line, customers, residents, commuters and businesses will be unnecessarily inconvenienced.³⁰ It is telling that the best evidence the City has been able to marshal of the possible use of the corridor is a "high-level summary of planned growth".³¹

32. FEI does not dispute that the City believes that it has a need to make use of the 380 metre section of the NPS 20 IP gas line immediately after the NPS 30 IP gas line is in service.³² However, FEI's position is that the City should be required to share the costs of the removal of this and any portion of the NPS 20 IP gas line in accordance with section 5(a) of the Operating Agreement.

33. The City has a contractual right under the Operating Agreement to request that FEI remove the abandoned NPS 20 IP gas line, but that right is accompanied by an allocation methodology that makes the City responsible for the majority of those removal costs as described in FEI's Final Submission. The same allocation approach is still reasonable if the Operating Agreement is inapplicable.³³

²⁹ City Final Submission, para. 57.

³⁰ FEI Final Submission, para. 92.

³¹ City Final Submission, para. 30 and Exhibit C1-8, City Phase Two Evidence, Appendix E.

³² City Final Submission, paras. 28 and 29.

³³ FEI Final Submission, paras. 75 to 79.

PART THREE: REPAVING COMO LAKE AVENUE

34. The evidence provided by FEI demonstrates that its plans for pavement restoration are reasonable. The City is speculating, contrary to the evidence that has been provided by FEI, that damage will occur to all four lanes of Como Lake Avenue that will require curb to curb repaving of 5.5 kilometres to reinstate.³⁴

A. FEI WILL REPAIR ANY DAMAGE

35. With respect, the concerns raised by the City about damage to Como Lake Avenue are a non-issue. As the City acknowledged in its submissions:

- (a) There is agreement that Section 8 of the Operating Agreement applies.³⁵
- (b) FEI does not dispute that it is required to reinstate the paving that is disturbed by the Project.³⁶
- (c) FEI considers the City's own paving specifications for restoration of trenches to be reasonable.³⁷

B. THE PRESUMPTION OF DAMAGE IS AT ODDS WITH THE OPERATING AGREEMENT

36. The City is critical of FEI's proposed approach to reinstating Como Lake Avenue on the basis that it "presumes" that the Project will cause little damage outside the main work space.³⁸ In other words, the City wants the BCUC to "presume", before the work has even begun, that FEI will damage the entire width of the road for its full 5.5 kilometre length. Making this presumption is inconsistent with the contractual framework and would ignore evidence to the contrary.

³⁴ City Final Submission, para. 64.

³⁵ City Final Submission, para. 73.

³⁶ City Final Submission, para. 66; FEI Final Submission, paras. 18 and 19.

³⁷ City Final Submission, para. 67; FEI Final Submission, paras. 20 to 26.

³⁸ City Final Submission, para. 68.

(a) The Operating Agreement Places the Onus on FEI to Perform Work Properly, or Pay to Restore Damage

37. Section 8 of the Operating Agreement addresses “reinstating” disturbed paving after FEI performs work:

8. The Company shall carry out all work done by it on public property pursuant to this agreement substantially in accordance with the details approved pursuant to paragraph 2 hereof (where applicable) and in a manner reasonably satisfactory to the Municipal Engineer, without undue delay, in a good and workmanlike manner, and so as to cause as little damage and obstruction as practicable...

[Emphasis added.]

38. There is no basis to presume that FEI will not abide by this requirement.

(b) The Evidence is that Damage can be Expected to be Limited to a Smaller Area

39. The City is glossing over evidence that suggests it is reasonable to expect that damage will be limited to a smaller area than what the City wants repaved.

40. FEI’s evidence was that it expects that the NPS 30 IP gas line trench construction activities will be confined to a 2.5-metre-wide trench, which is less than two lanes of Como Lake Avenue. Decommissioning and abandonment of the NPS 20 IP gas line will involve excavation of small bell holes approximately every 300 metres within a third lane.³⁹ This does not justify the repaving of the whole of the 5.5 kilometre section of Como Lake Avenue curb-to-curb.

41. FEI’s Submission described at paragraph 22 the nature of FEI’s plans for the Project which will minimize damage to the pavement:

(a) Lateral cuts are unlikely;⁴⁰

(b) There will be a low impact approach to pavement markings;⁴¹

³⁹ Exhibit B-12, FEI Phase Two Evidence, p. 4.

⁴⁰ Exhibit B-14, BCUC-FEI Phase Two IR 2.13.1 and 2.13.2; Exhibit B-16, City-FEI Phase Two IR 1.1.2.

⁴¹ Exhibit B-14, BCUC-FEI Phase Two IR 2.13.1; Exhibit B-16, City-FEI Phase Two IR 1.1.10.

(c) Traffic loops will be repaired;⁴² and

(d) Wear and tear is expected to be confined to construction footprint.⁴³

42. The City focuses on the extent of lateral cuts outside the work area and claims that additional work will be required.⁴⁴ For example, at paragraph 68 of its submissions, the City refers to its specifications for the installation of new water service lines. FEI notes that the specification referred to by the City refers to the initial installation of water services connections, not replacement after cutting for subsequent projects. The requirement that the City urges would result in damage to the pavement that would not otherwise occur, as well as increased public and traffic impacts. In any event, as with much of the City's speculation regarding damage to the pavement, this may not come to pass. FEI's response to City Phase Two IR 1.1.2 explains that the construction contractor may place the NPS 30 IP gas line beneath a water service line without cutting.⁴⁵

43. The City also appears to be unwilling to accept that FEI will take steps to minimize wear and tear. While FEI has provided evidence that the contractor's equipment will be fitted with rubber tracks,⁴⁶ the City asserts that this is a "presumption" from FEI that may not come to pass on the basis mobilization has not occurred.⁴⁷ In essence, the City's position is that the BCUC should ignore the evidence provided by FEI and require millions of dollars of paving work based simply on the City's own presumption of what *could potentially* occur despite evidence from FEI that it is not expected.

44. Many of the assertions made by the City exaggerate the potential harm from the effects of erosion and repairs.⁴⁸ As FEI explained in its submission, "a seam in asphalt pavement is standard industry practice for trench restoration for utility projects and has

⁴² Exhibit B-16, City-FEI Phase Two IR 1.1.7.

⁴³ Exhibit B-16, City-FEI Phase Two IR 1.1.1.

⁴⁴ City Final Submission paras. 68 to 71.

⁴⁵ Exhibit B-16.

⁴⁶ Exhibit B-16, City-FEI Phase Two IR 1.1.1 and 1.1.6.

⁴⁷ City Final Submission, para. 68.

⁴⁸ For example, City Final Submission, paras. 81 and 83.

previously been accepted by the City for other third party work. FEI does not anticipate that paving that covers only a portion of a lane will create issues for motorists, roadway management or other concerns.”⁴⁹ As noted in FEI’s Final Submission, the City seems perfectly prepared to accept a road with existing utility cuts and other wear and tear.⁵⁰

45. The City also referred to the construction in Vancouver and Burnaby as being “germane”.⁵¹ However, as FEI explained in its responses to IRs, different approaches were taken in those areas based on the Project alignment in those areas, and agreements reached with those municipalities.⁵² Those agreements in some cases included agreements for cost sharing with the municipality where the paving occurred and were part of an overall resolution of outstanding issues which allowed the Project to proceed.⁵³

46. Furthermore, the approach that FEI is proposing to use is what is mandated by the City’s own paving specifications.⁵⁴ At paragraph 88 of its submission, the City states that there are no recent utility projects that compare to the Project. FEI submits that is an insufficient justification for requiring FEI to go beyond the City’s paving specifications at the cost of natural gas customers. The City itself acknowledges that it does not have a policy on repaving the entire width of streets.⁵⁵ As described in FEI’s Final Submission, the City’s paving specifications are not limited to small pavement cuts, and they apply, with slight variations, to arterial and side roads.⁵⁶

47. The City acknowledges in its submission that the repaving of Como Lake Road (even under FEI’s plans) will result in betterment.⁵⁷ The magnitude of the betterment would be

⁴⁹ Exhibit B-15, CEC-FEI Phase Two IR 1.4.1.1.

⁵⁰ FEI Final Submission, para. 35.

⁵¹ City Final Submission, para. 82.

⁵² Exhibit B-14, BCUC-FEI Phase Two IR 2.12.4.1; Exhibit B-16, City-FEI Phase Two IR 1.8.1.

⁵³ Exhibit B-14, BCUC-FEI Phase Two IR 2.12.4.1; Exhibit B-16, City-FEI Phase Two IR 1.8.1.

⁵⁴ FEI Final Submission paras. 24 to 26.

⁵⁵ City Final Submission, para. 91.

⁵⁶ FEI Final Submission, para. 30; Exhibit B-16, City-FEI Phase Two IR 1.2.1.

⁵⁷ City Final Submission, para. 72.

significant. As explained in FEI's Final Submission, the City's demands exceed its own paving specifications and would result in a windfall to the City at a significant cost.⁵⁸

48. The City's speculation is an insufficient basis to impose such significant costs on FEI customers. The City's demand is unreasonable and FEI should be permitted to proceed in accordance with the City's paving specifications, which would meet the requirements of the Operating Agreement.

⁵⁸ FEI Final Submission, paras. 27 to 37.

PART FOUR:CONCLUSION

49. As described in FEI's Final Submission, FEI's proposals reflect the Operating Agreement, and achieve a fair and reasonable outcome as between FEI/FEI customers and the City. The City's demands regarding repaving and removal cost allocation, by contrast, are unjustified and would have a direct and unwarranted negative impact on FEI customers. The BCUC should, in FEI's respectful submission, reject the City's demands and grant the orders sought by FEI as set out in the draft Order appended to the Application.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Dated:

January 17, 2019

[original signed by Tariq Ahmed]

Tariq Ahmed

Counsel for FortisBC Energy Inc.