



Kyuquot Power Ltd.

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By Email

March 1, 2021

BCUC File 64931 Batch 63534

Mr. Patrick Wruck, Commission Secretary
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, B.C. V6Z 2N3

**Kyuquot Power Ltd. ("KPL") - BC Utilities Commission
Order No. G-39-21 - KPL Final Argument**

Please find attached KPL's Final Argument with respect to the above.

The undersigned should be contacted directly, in respect of any questions or clarifications.

Yours truly,

Roshni Reddy
For Tanya L DeAngelis
KYUQUOT POWER LTD.

FINAL ARGUMENT ON BEHALF OF

KYUQUOT POWER LTD.

**INVESTIGATION INTO THE SAFETY AND RELIABILITY OF THE
KYUQUOT POWER LTD. SYSTEM**

MARCH 1, 2021

INVESTIGATION INTO THE SAFETY AND RELIABILITY OF THE KPL SYSTEM

Final Argument of KPL

I. SUMMARY

Kyuquot Power Ltd. (“KPL”) is a very small electrical utility that has been providing safe and reliable service to customers in a remote and rugged area on the west coast of Vancouver Island¹ for approximately 14 years. Prior to this time this area was not connected to the provincial electricity grid.

There are twenty-four residential and eighteen commercial accounts, and one account with the Ka:yu:’k’t’h’ / Che:k’tles7et’h’ First Nations (“KCFN”) for the supply of electricity at Houpsitas.² The KCFN account constitutes over 70 % of KPL’s load and approximately 58% of KPL’s revenue.³ The utilities’ revenue requirements are regulated by the B.C. Utilities Commission (“BCUC”)⁴ including the review of outages and expenditures on repairs and maintenance.

The KPL system is a 52 kilometer long, radial single phase 14.4 kV distribution line⁵ (“KPL System”) that is interconnected to an approximately 50 kilometer long, radial mostly three phase BC Hydro distribution line (“BC Hydro Distribution Line”).⁶ KPL does not generate any electricity and purchases all its requirements from BC Hydro.

The principle points that KPL makes in this argument are:

- A. KPL provides safe and reliable electrical service.
- B. Annually, Technical Safety B.C. (“TSBC”) and its predecessors physically inspected all or portions of the KPL System.
- C. Work on the KPL System is performed by TSBC approved Field Service Representatives (“Field Service Representative”) Addy Power Ltd. and HB Energy Ltd.

¹ Exhibit A2-6, page 4

² Exhibit D-3, KPL response to BCUC IR 1, 2.1

³ See <https://www.bcuc.com/ApplicationView.aspx?ApplicationId=835> for KPL’s most recent Revenue Requirements Application. Pages 6 and 7 detail KCFN’s contributions in aid of construction which reduce the rates payable with respect to the KCFN Houpsitas Account, the main KCFN account

⁴ Ibid, KPL’s most recent Revenue Requirements Application

⁵ For a more detailed description of the KPL overhead and submarine cable system see Exhibit D-3, KPL response to BCUC IR 1, 2.0. Exhibit D-16, Exhibit 3A contains a map of the KPL System

⁶ Exhibit D-3, KPL response BCUC IR 1, 1.3

- D. On completion of its onsite inspection, Primary Engineering and Construction Corp. (“Primary”) concluded: “... *the line is in satisfactory condition with respect to being a remotely located powerline serving few customers.*”⁷
- E. Reliability as determined by the number of outages is approximately the same as provided by the BC Hydro Distribution Line. KPL expects that most of its customers have onsite generation.⁸ The ability of KPL’s customers to pay increased electricity rates in an attempt to improve reliability is a very important consideration for KPL.⁹
- F. The ability of KPL to meet the peak demand of KPL’s customers is currently set at 350 kW in the Electrical Service Agreement between it and BC Hydro (“Service Agreement”).¹⁰ As directed by the BCUC,¹¹ KPL has submitted a Primary Service Alteration Application to increase this limit to 561 kW and the ability to permanently install a 30T fuse as the customer’s main protective device in order to avoid fuse interruption/overload given current loading.
- G. KPL’s vegetation management practice of clearing vegetation about one quarter of the overland portion of the KPL System each year has been confirmed by a Certified Utility Arborist after completion of an onsite inspection.¹²
- H. The KPL and KCFN have jointly used a number of poles since commencement of operation of the utility. There is an executed right of way agreement between KPL and KCFN¹³ and prior to the construction of the KPL System, the KCFN passed a Band Council resolution relating to land and pole use.¹⁴
- I. In January 2020, KCFN installed a gang operated load breaker (“GOLB Switch S3”) which is directly connected to the KPL System and provides the KCFN control over a portion of the KPL System. Primary has proposed a practical dual key solution to unlocking this switch.

⁷ Exhibit D-16, Appendix 3B, page 2

⁸ Exhibit D-3, KPL response to BCUC IR1, 2.8

⁹ Exhibit D-3, KPL response to BCUC IR1, 1.6.2

¹⁰ Appendix D-3-1, Appendix E

¹¹ BCUC Order G-50-20

¹² Exhibit D-16, Appendix 3A

¹³ Exhibit D-5-1, Appendix 2B

¹⁴ Exhibit D-28, page 5

J. KPL has complied with all BCUC Orders and Directives in this proceeding.

II. GENERAL COMMENTARY.

A. Safety

In the past year, the KPL System has been inspected by representatives of TSBC, TE Burns Engineering (“Burns”)¹⁵ and Primary.¹⁶ They all have differing views on the reported deficiencies.

In general, the system is patrolled and inspected by a Field Service Representative at the time of the annual TSBC inspection and other opportune times such as when reviewing the annual planned vegetation management activities. KPL’s local representative patrols the KPL System on a regular basis in particular prior to the re-energization of this system after an outage.¹⁷

The elimination of TSBC’s jurisdiction¹⁸ in relation to the safety of KPL’s infrastructure is of major concern to KPL. While KPL appreciates the BCUC also has jurisdiction over the safety of this infrastructure, the TSBC undertook annual on the ground inspections, usually accompanied by a KPL Field Service Representative, of all or part of the KPL System. KPL was provided with an opportunity to correct any deficiencies. The TSBC enforced the objective standards for the safety of KPL’s System and essentially resolved differences of opinion with respect to various professional points of view.

In a Letter of Comment¹⁹ in the BCUC Inquiry into the Regulation of Safety the Ministry responsible for the TSBC said:

“...Technical Safety BC is an independent, not-for-profit, fee for service, statutory corporation established by the Safety Authority Act, which is responsible for overseeing the safe installation and operation of the regulated technical systems and equipment...”

...As the types of utility and energy systems have evolved, concern has been expressed that it can be difficult to determine whether an entity falls in or out

¹⁵ Exhibit A2-6, Kyuquot Power Ltd. System Stabilization Plan, TE Burns Engineering, 30 March 2020 (“Burns Plan”), In Order G-50-20 KPL was directed to engage a qualified professional engineer for a high-level technical assessment

¹⁶ Exhibit D-16, Appendix 3B, Primary Engineering & Construction Line Maintenance Plan (Revision O) November 30, 2020 (“Primary Plan”). In Order G-261-20 KPL was directed to engage a qualified professional engineer and approve a Maintenance Plan

¹⁷ Exhibit D-5, KPL response to BCUC IR 2, 11.9

¹⁸ Section 3(1) of the Electrical Safety Regulations says: “does not apply to a public utility as defined in the Utilities Commission Act in the exercise of its functions as a utility with respect to the generation, transmission and distribution of electrical energy.”

¹⁹ BCUC Inquiry into the Regulation of Safety, pages 1-3 in Exhibit D-3-1 as marked in this regulation of safety proceeding

of the “public utility” exemption specified in the Electrical Safety Regulation and whether the BCUC, Technical Safety BC or the utility itself has responsibility for safety oversight...

Now in 2020, the province has a respected delegated authority in Technical Safety BC that has considerable expertise in the safety oversight of a range of regulated technologies, including electrical and gas.”

KPL was not the only organization that did not have a clear understanding of TSBC’s jurisdiction i.e. the “public utility” exemption. KPL corrected all the deficiencies identified in TSBC Certificates of Inspection dated February 14, 2020²⁰ and August 21, 2020. KPL understands the February certificate was compiled from a third party complaint provided to the TSBC which was composed of deficiencies in the Burns Plan.²¹ Until September 2020, KPL and TSBC were proceeding on the basis that TSBC had jurisdiction over safety.

Subject to the recommendations that will emanate from the BCUC Inquiry into the Regulation of Safety it is not clear who the “day to day” safety regulator of the KPL System is going to be. One possibility is that the BCUC could engage TSBC to perform this function. KPL would certainly like some guidance from the BCUC on this point especially in relation to the necessity of increasing the ground clearances on some of its wires as identified in the Burns²² and Primary²³ Plans which would be a major expense. In the various onsite inspections the TSBC did not express similar concerns. KPL is not seeking the lowest level of safety regulations. It is seeking certainty for budgetary and operational purposes.

As noted above in this section, KPL corrected all the deficiencies in the Burns Plan that were identified in the TSBC Certificate of Inspection dated February 14, 2020. It demonstrated the completion or modification of all priority 1 items in the Primary Plan except for dual key access of the GOLB Switch S3.²⁴ KPL corrected all deficiencies identified by TSB up to September 2020.

B. Reliability – BC Hydro Comparator

1. Graphs

A measure of the reliability of the KPL System is the number of planned and unplanned outages as compared to the BC Hydro Distribution Line. They are about the same length and are operated in the same geographical

²⁰ Exhibit D-3-1, Appendix I

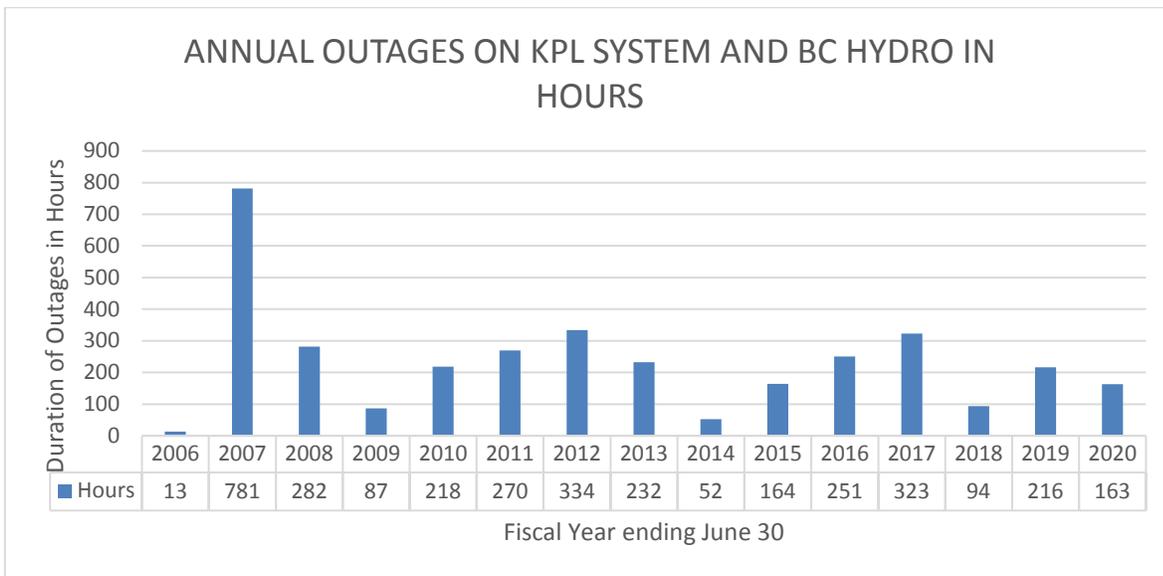
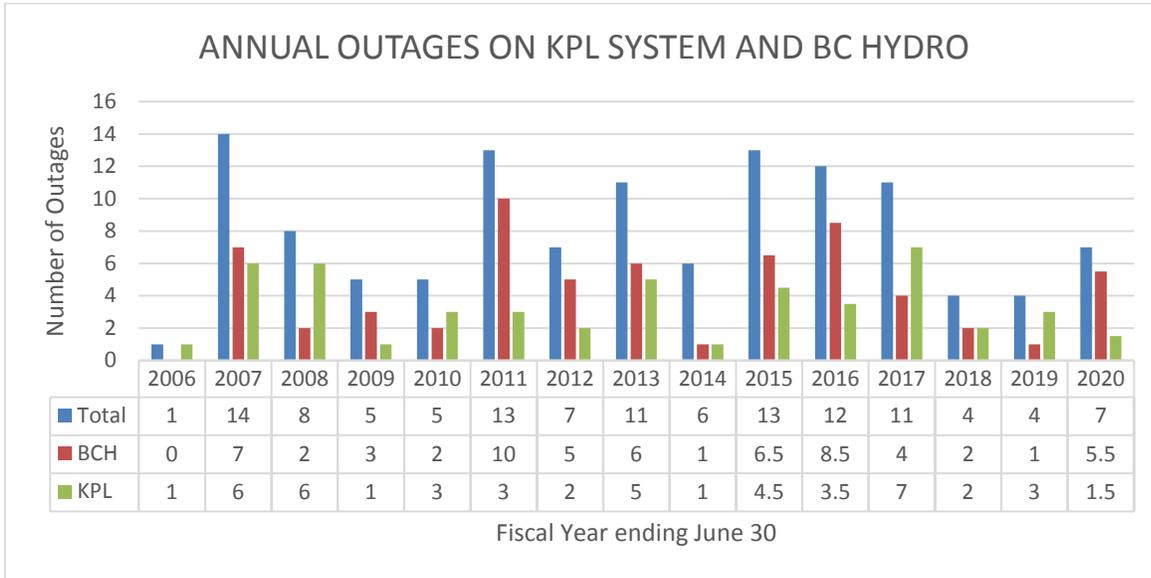
²¹ Exhibit D-5, KPL Response to BCUC IR 2, 11.8

²² Exhibit A2-6, page 5

²³ Exhibit D-16, Appendix 3B, Appendix A

²⁴ Exhibit D-27

area. The first graph²⁵ shows the outage rates are very similar. The second graph provides additional context (collectively “Graphs”).



KPL’s ability to operate its system is not markedly different than BC Hydro’s ability to operate the BC Hydro Distribution Line.

For fiscal 2021, and as indicated in the Weekly Progress Reports for the partial fiscal period July 1, 2020 to January 22, 2021, there were seven

²⁵ Exhibit D-3, KPL Response to BCUC IR 1, 1.3 where additional information is contained about the outages

power outages affecting all of KPL's customers. All seven were attributable to outages on the BC Hydro system.²⁶ Six of these outages are associated with the localized high winds occurring during the winter storm season.²⁷

2. Repair Crew Availability

Repair crew availability can be limited if contractors are working on outages for clients such as BC Hydro in less remote and more populated parts of Vancouver Island.²⁸ Further, it is not possible to travel the length of the KPL System without arranging for private water transportation between Fair Harbour and Chamiss Bay which travel can be restricted by storms and high winds. Houpsitas is located west of Chamiss Bay and has no scheduled water transportation service.

3. March 2020 Outages

About four outage periods during March 6, 2020 to March 18, 2020 ("KCFN Update Period") are not included in the graphs.²⁹ During this period KCFN was instituting substantial changes to its distribution system at Houpsitas ("Houpsitas System") which also required disconnection from the KPL System. The total outages amounted to 196 hours not including KCFN planned outages.

There is a dispute as to the underlying cause of some of the outages.³⁰ KCFN believe that, at times, fuses were undersized for the customer demand loads when the Houpsitas System was reconnected to the KPL System after a planned KCFN outage. A KPL Field Service Representative was not convinced the fuses were undersized, at that time, and was not allowed to inspect the Houpsitas System to determine whether a condition on this system caused a fuse to melt and an outage on the KPL System. KPL was notified of the outages and responded by dispatching a Field Service Representative to make repairs which consisted of changing fuses.

The only independent account pertaining to the possible cause of the outages comes from a KPL customer³¹:

"...What I want to point out here is that all during these times these companies were doing work on the lines in the Houpsitas village, and

²⁶ Exhibit D-24

²⁷ Exhibit D-24, Most of the expected high wind events have occurred as KPL considers the "storm season" to be about Oct 15 to Feb 15

²⁸ Exhibit D-3, KPL response to BCUC IR1, 2.9

²⁹ Exhibit D-3, KPL response to BCUC IR1, 1.3

³⁰ Exhibit A2-10, pages 4-6

³¹ Exhibit E-1, Letter of Comment

each time they would reconnect to KPL the power would get knocked out within either minutes or hours...”

As it is probable most of the outages on the KPL System that occurred during the KCFN Update Period may be related to work being carried out on the Houpsitas System the outages have not been included in the table.

4. Previous BCUC Consideration of KPL Outages

The matter of outages on the KPL System has previously been considered by the BCUC in Order G-137-09 where it states:

“5. KPL is permitted to establish a deferral account for potential uncontrollable outage costs whereby KPL may defer the lower of actual uncontrollable outage costs or \$1,550 per day for every uncontrollable outage day in excess of 14 uncontrollable outage days in the fiscal year. The maximum annual deferral for uncontrollable costs shall not exceed \$95,000. KPL should report the amount of deferred uncontrollable outage costs to the Commission within 90 days of the end of the fiscal year. KPL may make application for recovery of these costs in the subsequent annual period of their occurrence.”

6. KPL is authorized to carry forward the deferral account for potential uncontrollable outages until KPL files an application with the Commission requesting recovery of the account balance in rates and the Commission has made determination thereon.

7. Costs accumulated in the deferral account for potential uncontrollable outages may be subject to a prudency review.”

With the approval of the uncontrollable outage deferral account when the number of outages exceeds fourteen in any fiscal year, the BCUC recognized the risks associated with operating the KPL System in a remote and rugged area on the west coast of Vancouver Island. Uncontrolled Outages can and will occur.

KPL has never used the deferral account.

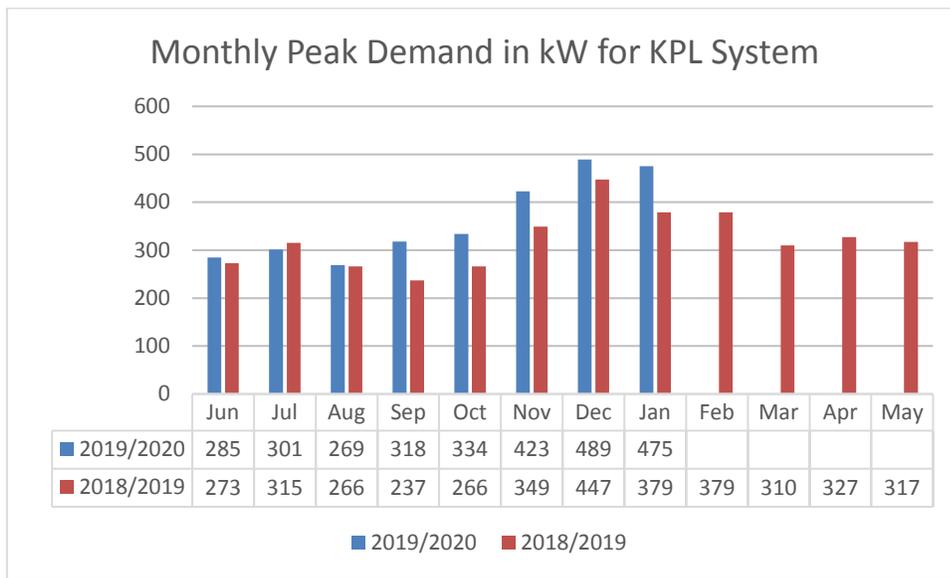
C. Reliability – Peak Demand

The reliability of the KPL System can be affected if the peak demand on this system exceeds BC Hydro’s ability to supply it. Simply put, if demand exceeds this ability, the fuse at the point of interconnection between the KPL and BC Hydro (“BC Hydro POI”) melts and KPL suffers an outage. The Service Agreement dated June 2, 2006 established the contractual peak demand at 350 kW although in the year ending June 2020, the peak 15 minute power average recorded was

475 kW.³² . The fuse currently installed is a 30T,³³ which capacity exceeds the contractual peak demand of 350kW.

As directed by the BCUC, KPL has submitted a Primary Service Alteration Application to BC Hydro.³⁴ It requests an increase in the peak demand limit to 561 kW and the ability to permanently install a 30T fuse as the customer’s main protective device in order to avoid fuse interruption/overload given current loading.

KPL is concerned about the increasing demand for capacity during the period June 1, 2018 to May 31, 2020 as shown by the following graph:



Should this demand continue to increase in future years, KPL would have to consider measures such as peak shaving or a further increase in the contractual peak demand with BC Hydro to maintain the reliability of the KPL System.

KPL will continue to monitor this increase to try to ascertain whether it is continuing and to identify likely sources. Perhaps the installation of a demand meter at the point of interconnection with KCFN, KPL’s largest customer, might be of assistance in assessing the situation. Currently there is only a demand meter at the point of interconnection with BC Hydro because under the Service Agreement KPL pays a demand charge and an energy charge. Under KPL’s tariff, customers only pay an energy charge.

³² Exhibit D-3-1, Appendices A and F

³³ Exhibit D-28, page 9, (3) c)

³⁴ Exhibit D-3-1, Appendices A and F

D. Vegetation Management – Crossover Between Safety and Reliability

1. Challenging Environment

The remote KPL System traverses thick-forested lands and the vegetation can cause damage to electrical infrastructure and subsequent outages. The KPL System also connects via submarine cable, Fair Harbour to Chamiss Bay. It is not possible to travel the length of this system without arranging for water transportation between Fair Harbour and Chamiss Bay.³⁵

The damage can be a safety hazard for example if a wind blown tree or branch falls on an energized line, a new path can be created for the flow of electricity. KPL has no record of any person being injured from this type of incident. This type of incident will cause an outage on the KPL System.

In order to reduce safety hazards and reduce the number of outages caused by vegetation, KPL's vegetation maintenance consists of clearing approximately one quarter of the overland portion of the KPL System every year in the autumn for technical and weather reasons. A different quarter is cleared in every year thereafter in a successive rotation.³⁶

Vegetation management activities have customarily been completed by KCFN members, creating local employment.³⁷

2. Certified Utility Arborist

The BCUC directed KPL³⁸ to provide a vegetation management plan approved by a qualified utility arborist. As a result, KPL engaged Asplundh Canada ULC ("Asplundh") and in relation to routine vegetation management, Asplundh said:³⁹

"It is recommended that this line be maintained on a 4 year cycle, doing 1/4 of the work annually and budgeted to do so..."

We also feel it would be beneficial to have the line patrolled annually by a Certified Utility Arborist prior to the work being done to identify and prioritize the work in case any sites require attention that aren't in the area designated for that particular cycle year."

Asplundh went on to make recommendations about "hot-spotting" or "hazard tree removals". None of Asplundh's recommendations in relation to

³⁵ Exhibit D-16, Exhibit 3A. See the map of the KPL System

³⁶ Exhibit D-3, KPL response to BCUC IR 1, 1.3

³⁷ Ibid

³⁸ Orders G-309-20 and G-261-20, Directive 1

³⁹ Exhibit D-16, KPL response to Directive 1, Appendix 3A, cover letter

a vegetation management plan were on an urgent or priority basis. KPL's current vegetation maintenance on a four year cycle is identical to Asplundh's routine vegetation management recommendation. KPL agrees with Asplundh's recommendation about having an annual patrol by a Certified Utility Arborist. KPL will follow this recommendation and the recommendations about hot-spotting and hazard tree removals.

The Primary⁴⁰ and Burns Reports⁴¹ also contain recommendations about vegetation management and Burns provides additional commentary on this topic in intervener submissions on behalf of KCFN with respect to responses to KPL's compliance filings.⁴² The additional commentary refers to remarks made by an apparent Certified Utility Arborist but no report by this arborist has been filed in these proceeding.⁴³ There is also no information about how much these remarks would cost to implement. The remarks should be given no weight.

Unless directed by the BCUC, KPL will not follow the vegetation management recommendations advanced by Primary and Burns. The authors of these reports are not Certified Utility Arborists whereas Asplundh's recommendations were authored by such an individual and KPL will follow them.

3. Increased Costs of Vegetation Management vs Benefits

This raises the broader question of the level of the reliability of electrical service that KPL is supposed to provide and the ability of KPL's customers to pay for it. Anecdotally, BC Hydro was reported to have recently engaged Precision Tree to complete significant vegetation management between Zeballos and Ouclije without the need for planned outages.⁴⁴

However as contained in the Weekly Progress Reports this effort, assuming it is true, may not have resulted in increased reliability during this year's winter storm season. It could also be that the localized impacts of this years weather systems had a much greater impact on other sections of the BC Hydro Distribution Line. No information was provided about the cost of BC Hydro's efforts.

KCFN has provided no evidence that increased vegetation management will result in a reduction in outages, except that by using bucket trucks, there

⁴⁰ Exhibit D-16, Appendix 3B

⁴¹ Exhibit A2-6, page 7

⁴² See Exhibit D-28, KPL response under the heading "KPL's Responses to Burn's Discussion Concerning Maintenance Activities Affecting the Stability of the KPL Line"

⁴³ Exhibit C2-5, page 4

⁴⁴ Exhibit C2-4, page 2

will be a reduction in planned outages while line clearing takes place. The cost of this approach is not provided.

4. Impact of Increased Costs on KPL Customers

The cost of increased vegetation management has to be borne by all of KPL's customers and not just the KCFN. Letters from two of KPL's customers represent opposing viewpoints as indicated by the following extracts:

"...My only concern is regarding the 41 cents/kilowatt price. It is very expensive. We usually live in the winter with one light bulb because after the energy bill for the freezer to store food, we can't afford more electricity. We turn every electrical appliance off when not in use. The high cost of electricity affects our living standard greatly. It causes us to live very frugally and in the dark."⁴⁵

"KPL customers within Kyuquot have become increasingly reliant on electricity since the area was electrified over ten years ago. While reliability during winter months has always proven challenging, outages seem to have increased in both frequency and duration over the last couple of years.

When the KPL powerline goes out to Kyuquot we are without electricity. This means we are without electrical heat, lights, cook stoves, or cold storage capabilities unless we run private generators. There are no gas stations in Kyuquot, so even if we do have our own generators, fuel supplies run out quickly. The nearest fuel is a one-hour round trip away by boat, and this stretch of water is often not safe for passage during the storms that typically take power out. The cost of gas for generators, and for the boat trips to purchase gas, add up quickly."⁴⁶

KPL has tried to balance the need for reliability with the need to keep rates down. KPL does not balance the need for safety against the need to keep rates down. Expenditures on safety are made as required.

If rates go up too high, KPL will lose customers potentially creating a downward financial spiral. As indicated under the heading: "B. Reliability – BC Hydro Comparator" the reliability of the KPL System and the BC Hydro Distribution Line are about the same. Customers can invest in backup generation and/or battery storage systems to reduce the impacts of outages and KPL expects that most of them have.

⁴⁵ Exhibit E-2

⁴⁶ Exhibit E-3

E. GOLB and Joint Pole Use - Crossover Between Safety and Reliability

KPL and KCFN share poles on approximately 2 kilometers of the 52 kilometer length of the KPL System.⁴⁷

There is an agreement between KPL and KCFN covering KPL's right of access for private utility distribution. In these proceedings KPL has filed an executed KCFN Band Council Resolution including joint pole use that was very recently uncovered and reviewed by KPL. Significant portions of this resolution have been superseded by the contents of the agreement of rights of access for private utility distribution. KPL has not installed unauthorized electrical infrastructure on the poles it shares with KCFN and is not using KCFN lands for unauthorized purposes. However, there is a need to formalize a joint pole use agreement and KPL has indicated its willingness to do this.⁴⁸

KCFN has installed the GOLB Switch S3 on a joint use pole. In the open position, the supply of electricity to KPL's customers on Walter's Island and some smaller islands is cut off. KPL is not aware of any instance in British Columbia where a customer installed device can have this impact on a regulated public utility's ability to serve its customers. Primary has proposed a practical solution to the matter. The lock that is used to control access to the GOLB Switch S3 should be dual keyed. The KCFN have rejected this proposal.⁴⁹

KCFN has proposed that access to the switch be covered by a joint operating order. KPL agrees with this proposal provided it is based on the dual key lock as proposed by Primary.

⁴⁷ Exhibit A2-6, page 3

⁴⁸ Exhibit D-28, page 5 of 10

⁴⁹ Exhibit D-28, page 7 of 10

F. Compliance with BCUC Orders and Directives

Set out below is a table of the status of compliance with Orders and Directives.

Table of Orders and Directives

No.	Reference Document	Order or Directive to KPL	Status
	G-50-20 (Preamble E)	Complete maintenance deficiencies identified by TSBC in February 2020	Complete
A1	G-50-20	Provide daily update for 15 days	Complete
A2	G-50-20	Provide drawings	Complete
A3	G-50-20	Provide outage logs for prior 2 months	Complete
A4i	G-50-20	Confirm submission to BC Hydro of Primary Service Alteration Application	Complete
A4ii	G-50-20	Notify when BC Hydro and KPL enter a new Electric Service Agreement.	Process Ongoing
A5	G-50-20	Provide a KPL System Stabilization Plan	Complete
A6	G-50-20	Proposed Time Frame for an Assessment Report	Complete
B1	G-115-20	Provide a copy of Order G-115-20 to Customers (Public Notice)	Complete
C1	G-261-20	Provide Vegetation Management Plan approved by a qualified utility arborist	Complete
C2	G-261-20	Provide Completion Report of Priority 1 items in Vegetation Management Plan	N/A (No priority 1 items identified)
C3	G-261-20	Provide Maintenance Plan approved by a qualified professional engineer	Complete
C4	G-261-20	Provide Completion Report of Priority 1 items in Maintenance Plan	Complete
C5	G-261-20 G-29-21	Provide an Assessment Report	Process Ongoing
C6	G-261-20	Conduct a review of maintenance and safety management procedures and report on any recommended changes	Complete
D1	G-309-20	Provide weekly progress reports regarding work undertaken (November 2, 2021 to January 27, 2021)	Complete
E1	G-29-21	Provide quarterly progress reports on status of non-priority 1 items and status of BC Hydro Primary Service Alteration Application	Ongoing

III. CONCLUSION.

The KPL System is safe and reliable. The utilities' revenue requirements are regulated by the BCUC including the review of outages and expenditures on repairs and maintenance. KPL has spent the BCUC approved amounts on repairs and maintenance and these expenditures have been prudent.

KPL's safety record has not been questioned.

It may be possible to improve the reliability of the KPL System but it is situated in some of the most rugged and remote terrain in Canada. Operating and maintaining a powerline in such an environment is challenging.⁵⁰ Improvements may be costly and there is no guarantee they will work.

KPL is sensitive to the need to keep the rates of all its electricity customers as low and competitive as possible. It is not immune to the impact of these customers installing their own generation to meet all or some of their electrical requirements. With such a small customer base KPL could easily end up in a downward financial spiral. Increased rates could also result in economic hardship for some of KPL's customers.

Assuming that access to the GOLB Switch S3 is controlled by a dual key lock, KPL agrees with KCFN's proposal for a joint operating order for this switch. KPL agrees that the joint use of poles with the KCFN should be formalized in an agreement. KPL also agrees that its system should be inspected annually by a Certified Utility Arborist.

All of which is respectfully submitted by Kyuquot Power Ltd.

March 1, 2021

⁵⁰ Exhibit A2-6, page 4