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April 19, 2017

VIA ELECTRONIC MAIL

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, B.C.
V6Z 2N3

Attention: Mr. Patrick Wruck
Commission Secretary and Manager, Regulatory Support

Dear Sirs/Mesdames:

Re: BC Hydro Salmon River Diversion Ceasing of Operations
Project No. 1598907

We are counsel to the Commercial Energy Consumers Association of British Columbia (CEC). Attached please find the CEC's first set of Information Requests with respect to the above-noted matter.

If you have any questions regarding the foregoing, please do not hesitate to contact the undersigned.

Yours truly,

OWEN BIRD LAW CORPORATION



Christopher P. Weafer

CPW/jj
cc: CEC
cc: BC Hydro
cc: Registered Interveners

**COMMERCIAL ENERGY CONSUMERS ASSOCIATION
OF BRITISH COLUMBIA**

INFORMATION REQUEST #1

**BC Hydro Salmon River Diversion Ceasing of Operations
Project No. 1598907**

1. Reference: Exhibit B-1, Page 1 and Page 22 of 42

1.1 Project Summary

The Salmon River Diversion (**Diversion**), constructed in 1957 to 1958, includes a timber-crib diversion dam (**Dam**) and canal which diverts water from the Salmon River through a canal to Brewster Lake (**Canal**), and then to the Lower Campbell Reservoir. Subject to natural inflows and minimum fisheries flows retained in the Salmon River, this redirected flow supplements electricity generation at BC Hydro's Ladore and John Hart Generating Stations by approximately 4 per cent. The Diversion is currently in use, though operating below its original design parameters. A number of issues must be addressed if it were to remain in operation:

The anticipated energy lost by the Project is substantially offset by efficiency improvements being implemented at the John Hart Generating Station. BC Hydro has obtained higher efficiency at the redeveloped John Hart Generating Station than anticipated at the time of the Application for a Certificate of Public Convenience and Necessity for the John Hart Generating Station Replacement Project.¹⁷

- 1.1. Please confirm that the efficiency improvements being implemented at the John Hart Generating Station are scheduled to occur regardless of whether or not the Salmon River Diversion is de-commissioned.
 - 1.1.1. If confirmed, would BC Hydro agree that the decommissioning of the Diversion results in a net loss of energy that would not occur if it were not decommissioned.
 - 1.1.2. If confirmed, please confirm that BC Hydro does not plan to 'replace' the 4 per cent supplementary generation to BC Hydro's Ladore and John Hart Generating Stations in any other manner.
 - 1.1.3. Assuming that the John Hart efficiency improvements would occur regardless of the decommissioning, will BC Hydro require any additional market or IPP energy as a result of the decommissioning? Please explain.

- 1.1.4. If the John Hart efficiency upgrades were scheduled to occur regardless, and BC Hydro has no plans to replace the 4% supplement, is it appropriate to say that the energy supplied by the Diversion was for all intents and purposes surplus energy? Please explain why or why not.

2. Reference: Exhibit B-1, page 2 of 42

Maintaining the status quo of patchwork repairs or abandoning the works are not feasible alternatives to address these issues. BC Hydro initiated a project to consider alternatives to address these identified issues in July 2013. In the course of advancing this project, BC Hydro determined that the benefits of reinvesting to rehabilitate the Diversion did not weigh favorably in comparison to the ceasing of operations when considering the costs and benefits inclusive of ecological impacts and social benefits. Undertaking a project to return the flows which are currently diverted from the Salmon River to the Campbell River system back to the Salmon River, by removing elements of the Diversion was identified as the preferred alternative, hence this application to cease operation.

- 2.1. Does BC Hydro typically consider the costs and benefits of ecological impacts and social benefits when it evaluates dam repairs and/or decommissioning?
- 2.1.1. If no, why does BC Hydro consider these implications in this project and not others?
- 2.1.2. If yes, how does BC Hydro typically assess the costs and benefits of ecological and social impacts. Please explain and assign any quantification of impacts that BC Hydro typically uses.
- 2.2. Please provide any scoring assessments that BC Hydro has utilized in evaluating the ecological and social benefits for this project.

3. Reference: Exhibit B-1, pages 5 and 6 of 42

- The upstream fish passage at the Dam does not operate effectively. BC Hydro has committed to working with We Wai Kai First Nation (We Wai Kai) and Wei

Wai Kum First Nation (We Wai Kum) to identify and implement a "Fish Passage Solution" for upstream migrating fish passage improvements at the Dam, with an expectation that this would be completed in the 2015 timeframe.

- 3.1. Did BC Hydro complete the Fish Passage Solution in 2015?
 - 3.1.1. If not, please explain why not.
 - 3.1.2. If yes, please provide the results of the Fish Passage Solution or direct the CEC to where it is included in the Application.

4. Reference: Exhibit B-1, page 15

2.3 Safety and Environmental Status

The consequence category of a failure of the diversion Dam is assessed as “Low” under the B.C. Dam Safety Regulations, on the basis that there are no incremental risks to permanent populations, no material incremental risks to transient populations, incremental economic losses would be relatively small, no significant cultural features would be impacted, and environmental losses could be mitigated. At the same time, the reputational consequences are considered high, due to the significant public interest in fish passage at the Dam and fisheries performance on the Salmon River.

- 4.1. Please provide an approximate value for ‘relatively small’ incremental economic losses if possible.
- 4.2. Please provide further elaboration on the types of ‘reputational consequences’ that could occur.
 - 4.2.1. Does BC Hydro have quantification for such reputational consequences? If so, please provide.

5. Reference: Exhibit B-1, page 15-16

The environmental impact of a failure of the Dam would be 1) to dislodge the creosote-treated structural members and the facing boards from the Dam into the Salmon River, and 2) to release the gravel and finer sediment currently retained behind the Dam, as well as the ballast still contained within the dam. Such a failure could lead to environmental damage due to debris washed downstream and the

flood wave and sediment¹³ pulse into the Salmon River below the Dam. However, a greater environmental impact of the Diversion is the operation of the Diversion on upstream and downstream fish passage as discussed in the following section.

- 5.1. Please confirm that it would be reasonable to characterize de-commissioning as the most environmentally friendly option available to BC Hydro.

5.1.1. If not, please explain why not and identify any options that could be considered more environmentally friendly and why.

6. Reference: Exhibit B-1, page 19

Approximately \$2 million of the costs of the downstream fish screen are eligible for remission under provincial Water Rentals, and the economic evaluation of the rehabilitation alternative reflects the recovery of this amount.

- 6.1. Please explain what remissible costs are under provincial Water Rentals, and elaborate on the treatment of 'remissible' costs.
- 6.2. If BC Hydro is using the common definition of the word 'remissible', which means 'forgivable', please explain by whom, or what entity, the costs would be 'forgiven.'

7. Reference: Exhibit B-1, pages 22 and 23, and page 33 of 42

2.5.1 Value of Diversion Energy

BC Hydro uses its Reference Price to assess the energy and capacity benefits of resources that are in BC Hydro's Integrated Resource Plan (most recently approved by the Government in 2013). The Reference Price is one of many factors informing investment decisions (see further discussion in section 4 of this application). The Reference Price for energy is based on a market price forecast¹⁸ when there is an energy surplus (up to fiscal 2021, based on existing resources) and the Long Run Marginal Cost¹⁹ of firm clean energy resources in B.C. when there is an energy deficit. As discussed in section 3.2.2 BC Hydro expected the rehabilitation to provide

a 20-year life extension to the Diversion, at which time it would require an extensive re-build. The levelized value of the Reference Price²⁰ over the Diversion's 20-year design life starting in fiscal 2018 is \$72.5/MWh, corresponding to a gross energy value of \$41.9 million in Present Value terms. Another lower price comparator to test the sensitivity to energy value was established based on a longer period of energy surplus to fiscal 2033 (based on existing and committed resources together with planned resource additions) and the Long Run Marginal Cost thereafter: the levelized value for this comparator over the same 20-year design life is \$46.1/MWh, corresponding to a gross energy value of \$26.6 million, also in Present Value terms.

- ¹⁷ Refer to BC Hydro's response to the Clean Energy Association of BC IR 2.40.02 during the Fiscal 2017 – Fiscal 2019 Revenue Requirements Application proceeding.
- ¹⁸ The value of energy when BC Hydro has an energy surplus is based on the BC Border sell price (i.e., market prices adjusted for wheeling and losses for delivery to BC Border).
- ¹⁹ The Long Run Marginal Costs are \$87/MWh from fiscal 2022 to fiscal 2033; \$102/MWh from fiscal 2034 and beyond (\$ quoted are fiscal 2016\$). Refer to section 3.4.4.2 of the Fiscal 2017 - Fiscal 2019 Revenue Requirements Application for more details.
- ²⁰ The value of Diversion energy is calculated based on Reference Price adjusted for the portion of energy considered firm (95 per cent firm/5 per cent non-firm profile) from the Campbell River system.

**Table 5 Net Present Value at Lower Price
(Sensitivity)**

Salmon River Rehabilitation - Project NPV		Expected	Authorized
Unit Value of Energy at Sensitivity Value	\$/MWh	46	46
PV Energy Volume	GWh	578	578
Total Value of Energy at Sensitivity Value	\$000	26,648	26,648
Project Capital Costs	\$000	(35,361)	(39,070)
NPV of Project, before Decommissioning	\$000	(8,713)	(12,422)
Benefit/Cost Ratio		0.75	0.68
Project Capital Costs	\$000	(35,361)	(39,070)
Decommissioning Costs	\$000s	(8,756)	(8,756)
Cost of Project, net of Decommissioning Credit	\$000	(26,605)	(30,314)
NPV of Project, net of Decommissioning Credit	\$000	43	(3,666)
Benefit/Cost Ratio, net of Decommissioning Credit		1.00	0.88

- 7.1. Please provide the calculation for the \$72.5/MWh Reference Price over the 20 year design life.
- 7.2. Please provide the calculation for the \$46/MWh Unit Value of Energy at Sensitivity Value.
- 7.3. Please provide the forecast market prices adjusted for wheeling and losses for delivery to BC Border over the 20 year design life.
- 7.4. Please provide BC Hydro's Load Resource Balance.
- 7.5. Please confirm that BC Hydro currently intends to fulfill its proposed 'Planned Resources'.
- 7.5.1. If yes, would BC Hydro agree that the most likely comparison is to the longer period of surplus.
- 7.5.1.1. If BC Hydro does not agree, please explain why not.

8. Reference: Exhibit B-1, pages 20 and 21 of 42 and Appendix F, page 1

As a result, the Diversion acts as an obstruction to upstream fish passage, diverts a portion of out-migrating smolts from the Salmon River to the Lower Campbell Reservoir, and imposes some adverse impacts on the fish population in the Salmon River.

2.4.3.1 Fishway Resolution – Fish Passage Decision Framework

The WUP planning process identified upstream fish passage at the Diversion as a concern. In 2008, the Salmon River Diversion Fish Passage Consultative Committee (**Committee**) was formed with government fish agencies, stakeholders and BC Hydro, and later included the K'omoks First Nation (**K'omoks**). After eleven meetings through to July 2012, and several studies funded by the Fish and Wildlife

- Technical and Biological feasibility (Steps 1 to 5): The FWCP funds applications for assessment of feasibility:
 1. Preliminary Screening: does the facility block migration?
 2. Stakeholder, First Nations, and Agency engagement: is this facility/watershed a high priority for improvement?
 3. Environmental Feasibility Studies: could the facility impacts be eliminated or mitigated, and how?
 4. Preliminary Technical Feasibility: could the proposed mitigation be implemented?

- 8.1. Please provide context for the value of the adverse impact of the fish population in the Salmon River, including the approximate size of the adverse impact, and the importance of the Salmon river salmon runs to BC and the environment.

9. Reference: Exhibit B-1, page 25

3.2 Alternatives

The viable alternatives advanced for further consideration were: i) to cease operation and decommission by removing portions of the existing assets, or ii) to rehabilitate the Diversion. These two alternatives are described more fully below.

- 9.1. Did BC Hydro consider alternatives such as rehabilitating and extending the dam's longevity, or rehabilitating and increasing the value of the energy provided?
- 9.1.1. If not, please explain why not.
- 9.1.2. If yes, please explain why these options were rejected.

10. Reference: Exhibit B-1, page 26

3.2.1.1 Cease Operation and Removal Scope

Under this alternative the Dam would be removed, and the upstream and downstream river bed would be re-graded to provide a natural channel for fish movement. The river at the Dam site will be restored to a semi-alluvial state wherein the channel bed and banks can reach a dynamic equilibrium, adjusting in response to watershed conditions. To the extent that creosote applied to the dam timbers and facing boards has leached into the soil beneath the Dam any contaminated soils will be removed and sent for appropriate treatment, as will the timbers themselves. Remediation will comply with federal and provincial requirements, including the provincial Aquatic Sediment Standards. The site would be left in a condition to encourage the natural succession of native plant varieties.

- 10.1. Please provide a pictorial diagram of the Salmon River Diversion with the location of the dam, mechanics, the fish screens, upstream fishway and other elements as it currently exists, and identify the existing fish movement.
- 10.2. Please provide a pictorial diagram of the Salmon River diversion with the proposed cease operation and removal, and the expected fish impacts.
- 10.3. Please provide the Salmon River Diversion's historical impact on the fish population.

11. Reference: Exhibit B-1 page 25 and 26 of 42

3.2.1 Cease Operation and Removal

This alternative involves the removal of the Dam, the mechanical equipment at the canal headworks and downstream fish screen, and the Patterson Creek flume. The remainder of the canal, as well as the civil works at the canal headworks will remain in place since they do not affect fish passage or create dam safety concerns.

BC Hydro would continue to manage access to the site and provide a means for wildlife movement. This alternative would result in the re-establishment of a natural river channel for fish passage, eliminating the entrainment of fish into the Campbell River system and reducing stress on adults migrating up river to spawn. Ceasing to operate the Diversion would not affect operation of the Ladore or John Hart Generating Stations, other than reducing inflows; reservoir elevations and operating practices will not be affected.

The Project's proposed scope of work requires removal of the Dam, a part of the Canal referred to as the Patterson Creek flume (which conveys the diverted water across Patterson Creek), and the mechanical components at the Canal headworks, leaving the concrete headworks structure and the remainder of the concrete portion of the Canal in place. The streambed at the current location of the Dam, as well as upstream and downstream will be re-graded to provide a natural streambed to facilitate fish passage in the Salmon River.

The concrete structure at the headworks would be left in place, but all mechanical equipment would be removed, including the sluice gate, radial gate, jib crane, and associated equipment and machinery. Mechanical equipment at the downstream fish screen would similarly be removed. Contaminants such as fuel or lubricants would be removed and appropriately treated.

The Canal would be largely left in place, except for the Patterson Creek flume. The flume would be removed, and creosote-treated timbers in the substructure and superstructure, as well as any contaminated soil, would be directed to appropriate treatment facilities. The bank of Patterson Creek; will be treated with riprap at the former location of the flume to prevent erosion. Provision for wildlife passage over the canal will be retained.

- 11.1. How did BC Hydro establish the scope of the Cease Operation and Removal option?
- 11.2. Is it necessary for BC Hydro to leave the concrete headworks structure and the concrete portion of the canal in place, or could these also be removed?
 - 11.2.1. If removal is an option please provide an order of magnitude of the costs (or more refined if available) of the removal of these portions of the dam.
- 11.3. Please confirm that BC Hydro will need to maintain the structures that are left in place.
 - 11.3.1. If yes, please provide a rough overview of BC Hydro's maintenance plans, and the approximate costs of doing so.
 - 11.3.2. If no, please explain why not.

12. Reference: Exhibit B-1, pages 26 and 27

3.2.1.2 Cease Operation and Removal Cost

The cost to remove the identified components of the Diversion is as shown in Table 1 below. The primary cost risk in this alternative is the extent (if any) of creosote contamination of the soil beneath the Dam. Sampling upstream and downstream of the Dam has indicated little or no leeching or contamination, but the

extent of contamination under the Dam cannot be known until the removal of the Dam is underway, allowing access for testing.

Table 1 Removal Costs

Salmon River Diversion – Cease Operation and Removal Alternative Costs	(\$ 000)
Implementation Phase	
Timber Crib Dam Removal	5,921
Canal, Headworks Machinery and Flume removal	1,425
Construction Management	661
Total Direct Costs	8,007
Project Management and Engineering	991
Contract Management, Environmental, and ARN	403
Definition and Early Implementation ¹	1,894
Total Indirect	3,288
Total Implementation, before Contingency	11,295
Contingency	2,634
Inflation	285
Total Project Cost	14,214

Notes:

1. Early Implementation costs include road access improvements and tree clearing in the intended laydown area.

The estimate is based on Feasibility-level design information, and the total costs are considered to be subject to an estimating range of +50%/-15% (\$21.3 million to \$12.1 million).

- 12.1. Are there other costs other than ‘Implementation Phase’ costs that are associated with this option?
- 12.1.1. If yes, please provide these costs.
- 12.1.2. Please provide the AACE Class Cost Estimate value of this Estimate.
- 12.2. Please provide a range of costs for remediation of any creosote leaching.
- 12.3. Please identify where any remediation costs for creosote leaching are accounted for in the financial analysis for this alternative.
- 12.4. If BC Hydro did not allow for any soil remediation costs, please explain why not.

- 12.5. Please provide BC Hydro's assumptions under its 'Inflation' estimate.
 12.6. Please provide any O&M or other ongoing costs for this alternative, with quantification.

13. Reference: Exhibit B-1, page 27

3.2.2 Rehabilitation

The rehabilitation alternative involves work to address the condition of the Dam and related dam safety risks, the design and possible relocation of the upstream fishway, the refurbishment or replacement of the downstream fish screen, rehabilitation of the Canal and Patterson Creek flume, and debris management and flow control at the Dam. Based on the condition of the Diversion, BC Hydro considered that the rehabilitation alternative could achieve a 20-year life extension, but that at the end of that time the Diversion would require extensive reconstruction or replacement to continue in service.

- 13.1. Could BC Hydro extend the 20 year life? Please explain why or why not.
 13.1.1. If yes, please provide the maximum life span that could be achieved.
 13.1.2. If yes, please provide an approximation of the costs that would be required to extend the life to 50 years.

14. Reference: Exhibit B-1, page 30

Table 2 Rehabilitation Costs

Salmon River Diversion – Rehabilitation Alternative Costs	Expected (\$ 000)	Authorized (\$ 000)
Construction Costs	26,748	26,748
Removal/Demolition Costs	934	934
	27,682	27,682
Implementation Contingency	3,875	7,197
	31,557	34,879
IDC and Overhead	2,030	2,417
Implementation Cost	33,587	37,296
Prior Phase Costs incurred prior to cancellation	2,470	2,470
Early Implementation Phase costs	1,304	1,304
Total Project Costs	37,361	41,070

The scope of the rehabilitation alternative is uncertain, as it depends on the extent of deterioration of some components, particularly the structural members in the Dam, and the superstructure and liner of the Patterson Creek flume. The condition of these components cannot be known until they are exposed when rehabilitation is underway. Accordingly, the possibility of scope expansion, and therefore cost increases, remains high. It is worth noting that BC Hydro is not exposed to such variability when renewing Electricity Purchase Agreements as capital cost and scope risk (if any) are born by counterparties.

- 14.1. Please provide the value for the AACE Class Estimate.
- 14.2. Please breakdown IDC and Overhead.
- 14.3. What costs are included in Overhead?
- 14.4. Please elaborate on the 'Prior Phase Costs incurred prior to cancellation'.

15. Reference: Exhibit B-1, page 32 of 42

1 Table 3 Rehabilitation – Cost of Energy

Salmon River Rehabilitation – Cost of Energy		Expected	Authorized
Energy Provided	GWh/Year	46	
Discount Rate	Real (%)	4.9	
Term	Years	20	
PV of Energy (at In Service Date)	GWh	578	
Remissible Fish Screen Costs	\$000	2,000	
Project Capital Costs	\$000	37,361	41,070
Less Remissible Portion	\$000	(2,000)	(2,000)
Net Project Capital Costs	\$000	35,361	39,070
Levelized Costs – Capital Only	\$/MWh	61.2	67.6
Water Rental	\$/MWh	7.3	7.3
Operations & Maintenance (\$80,000/Year)	\$/MWh	1.7	1.7
Levelized Costs ¹	\$/MWh	70.2	76.6
Decommissioning Credit ²	\$000	(14,214)	(14,214)
PV of Future Decommissioning	\$000	5,458	5,458
Decommissioning Credit (net)	\$000	(8,756)	(8,756)
Net Levelized Cost ¹	\$/MWh	55.1	61.5

2 Notes:

- 3 1. Exclusion of costs incurred prior to project cancellation as noted in Table 2 would reduce
4 levelized costs by \$4.30/MWh.
- 5 2. Rehabilitation of the Diversion defers the costs to decommission the Diversion for the term of
6 the life extension achieved by a rehabilitation alternative. As a result the avoided cost, referred
7 to as the 'Decommissioning Credit' is applied, as is the present-value cost of a future
8 decommissioning referred to as the 'PV of Future Decommissioning'. An economic analysis in
9 which material cost can be avoided must take into account the avoided costs; hence
10 decommissioning costs are included in this cost of energy analysis.²²

11 The cost of energy (\$55 to 62/MWh) (Net Levelized Cost in Table 3 above), may be
12 compared to BC Hydro's Reference Price of \$72.5/MWh, as noted in section 2.5.1.

- 15.1. Please explain why BC Hydro has 'authorized' costs as well as 'expected' costs for the rehabilitation cost of energy.
- 15.2. How did BC Hydro establish its discount rate of 4.9%?
- 15.3. Are the Remissible Fish Screen costs of \$2,000,000 included in the Project Capital Costs of \$37,361,000, or are they to be added to it, and then deducted?
- 15.3.1. If added to it and then deducted, please explain why the Net Project Capital costs are not \$37,361.
- 15.3.2. How did BC Hydro arrive at O&M costs of \$80,000 per year for Rehabilitation?
- 15.3.3. Please provide BC Hydro's historical O&M costs for the Salmon River Diversion for the last 10 years.

16. Reference: Exhibit B-1, page 36

Date	Description
June 15, 2017	Commission Decision Issued
June 20, 2017	Definition Phase Complete
June 26, 2017	Start of Site Work
September 15, 2017	Completion of in-stream work
November 30, 2017	Project In-Service Date

16.1. What additional work is required to complete the Definition Phase? Please explain and provide any costs that BC Hydro anticipates to complete this work.

17. Appendix A, page 1 and Utilities Commission Act, Section 41 No discontinuance without permission

- A. On March 7, 2017, British Columbia Hydro and Power Authority (BC Hydro) filed an application (the Application) with the British Columbia Utilities Commission (the Commission) under section 41 of the *Utilities Commission Act* (the Act), for permission to permanently cease operation at the Salmon River Dam, the canal, headworks, the upstream fishway, and the downstream fish screen (Salmon River Diversion) located on Vancouver Island.

No discontinuance without permission

41 A public utility that has been granted a certificate of public convenience and necessity or a franchise, or that has been deemed to have been granted a certificate of public convenience and necessity, and has begun any operation for which the certificate or franchise is necessary, or in respect of which the certificate is deemed to have been granted, must not cease the operation or a part of it without first obtaining the permission of the commission.

17.1. Does the Commission need to approve the expenditures related to the proposed de-commissioning or could the Commission simply approve a de-commissioning of the diversion in general? Please explain.

17.1.1. If the Commission could just approve the decommissioning, would BC Hydro need to seek separate approval for the expenditures, or the decommissioning process? Please explain.

17.2. Please provide BC Hydro's views as to the appropriate criteria and the appropriate weightings of the criteria that the Commission should consider in weighing the public interest in the decommissioning.

18. **Reference: Exhibit B-1, page 37 of 42 and Appendix A page 2**

6 Financial Treatment

The cease operation and removal alternative costs were not included in BC Hydro's Fiscal 2017 – Fiscal 2019 Revenue Requirements Application and so will be a variance to the costs forecasted for the three-year test period. In the Fiscal 2017 – Fiscal 2019 Revenue Requirements Application BC Hydro has requested approval of a Dismantling Cost Regulatory Account. If that regulatory account is approved, BC Hydro believes that the costs of the cease operation and removal alternative will be eligible to be recorded in the Dismantling Cost Regulatory Account and be recovered from ratepayers over the next test period (as per the recovery mechanism for the Dismantling Cost Regulatory Account proposed by BC Hydro). Conversely, if BC Hydro's request for approval of the Dismantling Cost Regulatory Account is denied, BC Hydro hereby requests approval to transfer these costs to the Heritage Deferral Account and recovery by way of the Deferral Account Rate Rider.

D. In the Filing, BC Hydro has asked the Commission for permission to transfer the costs incurred to cease operations at the Salmon River Diversion into the Dismantling Cost Regulatory Account; a Regulatory account that BC Hydro has requested approval for in the Fiscal 2017 - Fiscal 2019 Revenue Requirements Application. If BC Hydro's request for the Dismantling Cost Regulatory Account is not approved, then BC Hydro requests permission to transfer these costs to the Heritage Deferral Account; and

18.1. Please quantify and explain any financial differences that may accrue to ratepayers based on the differing treatment of the costs.