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December 7, 2017

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC
V6Z 2N3

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

Dear Mr. Wruck:

Re: BC Hydro and Power Authority (BC Hydro) – Waneta 2017 Transaction Application (the Application) ~ Project No. 1598933
FortisBC Inc. (FBC or the Company) Comments on Regulatory Process and Order G-169-17

On December 4, 2017, FBC submitted a request to intervene in the above-noted proceeding. In this correspondence, FBC writes in relation to the following matters:

1. An extension of the deadline for intervener information requests that is presently found in the regulatory timetable set by the British Columbia Utilities Commission (Commission) in Order G-169-17; and
2. Access to the presently redacted portions of Exhibit B-1.

Regulatory Timetable

Order G-169-17 presently sets December 15, 2017 as the deadline for intervener information requests. That is one week after the intervener registration deadline. FBC respectfully asks for an extension of this deadline to January 5, 2017, in order to accommodate the unavailability of key FBC personnel during the holiday period, and assuming that FBC receives the additional information which it requests in this letter no later than December 15, 2017. Of course, FBC would agree to a commensurate extension for BC Hydro's response to those information requests.

In the Application BC Hydro is, among other things, seeking that the Commission accept as being in the public interest an expenditure schedule consisting of payments by BC Hydro of \$1.223 billion and additional costs of up to \$50 million (see Appendix A to the Application). The Application comes at a time of renewed emphasis on public and Commission scrutiny of BC Hydro-owned infrastructure and rates, and recognition of the importance of that scrutiny and engagement. FBC is a direct customer of BC Hydro, and BC Hydro's proposed expenditures have the potential to materially impact FBC and by extension its rates and ratepayers.

In addition, the Application deals specifically with assets and arrangements of direct importance to FBC and its ratepayers. For example, as set out in the draft order at Appendix A to BC Hydro's Application, BC Hydro requests the Commission to find to be in the public interest, and accept, an expenditure schedule which includes payment for BC Hydro's acquisition of a transmission asset (Line 71) on which FBC relies. More generally, all the assets to which the Application relates are located in FBC service territory.

Further supporting an extension of the deadline for intervenor information requests is the importance of addressing the presently redacted portions of Exhibit B-1, to which FBC seeks access. The abbreviated timetable set in Order G-169-17 does not permit a reasonable opportunity to review the presently redacted information prior to the deadline for filing of the first round of intervenor information requests.

Access to Presently Redacted Information

BC Hydro has sought confidential treatment for portions of Appendix N of the Application and has included in the public version of the Application a redacted copy of Appendix N - Waneta 2017 Business Case.

Appendix N to the Application is BC Hydro's 2017 Business Case. BC Hydro states in the text of the Application that "BC Hydro's decision to proceed with the transaction was based on the Waneta 2017 Business Case" (page 4-2).

Though BC Hydro says in its cover letter for Exhibit B-1 that while Appendix N has redactions, "*the Application itself has no redactions*", this is a somewhat artificial distinction. Appendix N is part of Exhibit B-1, and as referred to above, formed the basis for BC Hydro's decision to proceed. Appendix N is repeatedly cross-referenced in the main body of the Application and its footnotes, though this cross-referencing does not assist in shedding light on most of the redacted portions. Some cross-references in the main body of the Application are to entirely redacted portions of Appendix N (see footnotes 140 and 141 on page 4-27 of the Application).

As noted in Rule 18.02 of the Rules of Practice and Procedure, the party requesting confidentiality (here, BC Hydro) "*bears the onus of establishing why the information should be treated as confidential by the Commission*". That is, as ss. 41 and 42 of the *Administrative Tribunals Act* confirm, evidence received by the Commission is presumptively public.

Without conceding that redaction of information on the public record is appropriate in this case, if the Commission determines that any portion of Exhibit B-1 should for the purpose of the

public record remain redacted, FBC requests access to those redacted portions pursuant to Rule 24.02 of the Rules of Practice and Procedure.

A fair process requires FBC to have access to the redacted portions of Exhibit B-1. It would be unfair for the Commission to rule on aspects of the application impacting FBC, without FBC itself having an opportunity to address the evidence. Important interests of FBC and its ratepayers are at issue in this proceeding and protecting those interests requires an opportunity for FBC to know the case that BC Hydro is presenting to the Commission and have the ability to test that case and respond. In addition, given its role as a customer of BC Hydro and its use of and proximity to assets to which the Application relates, FBC is particularly well qualified to review, ask questions about, and make submissions on related material.

Without limiting the generality of the above paragraph, FBC notes for the purpose of illustration the following examples of issues that arise. While BC Hydro sets out certain expectations regarding Line 71 in s. 2.5.5 of the main body of the Application, it has redacted significant and longer portions of Appendix C of Appendix N that seem to relate to the same subject matter. These redactions necessarily give rise to questions about how the statements interrelate, the extent to which the statements are reconcilable, potential ambiguity, etc. FBC should have the ability to review the material and test what it sees.

As a further example, BC Hydro claims confidentiality over what it describes as “*information that if made public could compromise BC Hydro's bargaining position with regard to Teck and other parties that have an interest in the subject matter of the Application*”. If, for example, the redacted portions of the “Business Case” signal a bargaining or other strategy that could harm or affect the interests of one of BC Hydro’s large customers (FBC and its ratepayers) if the orders sought in the Application are granted (or, conversely, if the Application is not granted), FBC should have the opportunity to know and make submissions on this.

Conversely, if any of the redacted portions of the “Business Case” are intended by BC Hydro to protect information about FBC in the interests of FBC, this objective would not be undermined by permitting access to FBC.

Without detracting from the points otherwise raised above, if the Commission determines that the redacted information is confidential and should not be part of the public record FBC is willing to provide a Declaration and Undertaking to facilitate the granting of access to FBC.

Other Matters

Finally, although Order G-169-17 does not define the regulatory process beyond BC Hydro’s response to Information Request No. 1, FBC advises that it expects to file intervener evidence regarding certain aspects of the Application and their impact on FBC, including the Company’s existing and future transmission rights on Line 71. FBC also contemplates that a second round of information requests will be required, including after the filing of the “Transmission Agreements” referred to in BC Hydro’s cover letter to Exhibit B-1 (consistent with BC Hydro’s statement at footnote 44 of the Application) and that a procedural conference will be required.

If further information is required, please contact Joyce Martin at (250) 368-0319.

Sincerely,

FORTISBC INC.

Original signed:

Diane Roy

cc (email only): BC Hydro
Teck Metals Ltd.
Interveners in FBC's Annual Review for 2018 Rates