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E-Filed

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British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, BC V6C 2N3

Attention: Patrick Wruck, Commission Secretary

**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 (Application)
Project No. 1598963**

Dear Mr. Wruck:

We represent the City of Coquitlam (the City) for the British Columbia Utilities Commission (Commission) proceeding related to the Application. We write on behalf of the City to respond to the Commission's July 11, 2018 letter to the City requesting submissions regarding the regulatory procedure for the Application.

Overview of the City's Position

The City fully appreciates that the aging infrastructure of FortisBC Energy Inc. (FEI) needs to be upgraded to ensure the safety of the natural gas distribution network, and that the Commission has granted a certificate of public convenience and necessity (CPCN) to FEI for its LMIPSU Projects.

The City appreciates the need for FEI's LMIPSU Projects including those components within Coquitlam; however, these projects could have major impacts on the community, including impacts to

- municipal infrastructure (roads, water works, sewers, etc.),
- the public's use of the roads, and
- homes, businesses and schools in the area.

The City believes that FEI should mitigate the impacts of its project on the community to the extent reasonably possible and that FEI should bear the costs of doing so. The City further believes that it would be fundamentally unfair if FEI's project leaves the community with on-going and long-term negative impacts.

Representatives of the City and FEI met several times to discuss the measures FEI ought to take to mitigate the impacts of its LMIPSU Projects on the community. Overall, the City found the discussions with FEI to be a frustrating experience.

Submissions on the Issues

With respect to the issues identified by FEI in its Application, the Panel requested that the City confirm whether it concurs with the description of the agreed and outstanding Project issues, and if the City is not in agreement with the description of the Project issues, the Panel requested the City to submit its position on the issues or provide additional information on issues it believes have not been raised.

The City confirms that the immediate issues are those identified and summarised in sections 4 and 5 of FEI's Application, as follows:

1. Protocols and processes to guide FEI and the City's interactions relating to the LMIPSU Projects
2. Traffic management plans
3. Engineering Drawings
4. Removal of 380 metres of the decommissioned NPS 20 IP gas line under Como Lake Avenue between North Road and Clarke Road in the Burquitlam area
5. Repair and repaving of the damage that FEI and its contractors will do to Como Lake Avenue

In its Application, FEI characterizes issues 1, 2 and 3, above, as "technical" and issues 4 and 5 as "financial" matters. The City does not agree with FEI's characterizations. Each of the five matters is significant, interrelated with the other matters, and needs to be addressed to mitigate the impacts of FEI's project on the City's infrastructure and the community to the extent reasonably possible. The manner in which each of the five matters is addressed will have financial impacts to the City, FEI and/or the public. For example, FEI's obligations to manage traffic in Coquitlam during construction of the LMIPSU Projects and to repair and repave the damage that it and its contractors do to Como Lake Avenue each have technical and financial components.

The City confirms that City and FEI staff were in the process of developing non-binding documents outlining "Terms Agreed To" and "Terms not Agreed To" in relation to the five matters above to guide the parties in their efforts to identify and pursue opportunities for

collaboration; however, both of these documents were draft works in progress when FEI filed its Application.

FEI overstates the situation to the extent it suggests that the "Terms Agreed To" document provided in Appendix C of its Application reflects terms actually agreed-to by City. The parties were discussing the "Terms Agreed to" document when FEI filed its Application, but the City had not yet provided a response to FEI in relation to the draft document.

FEI staff confirmed on June 24, 2018 (four days before FEI filed its Application) that the "Terms Agreed To" document was still draft and did not yet incorporate any changes from the City. The City's staff were in the process of developing a response to FEI's draft "Terms Agreed To" and "Terms not Agreed To" documents when FEI filed its Application on June 28, 2018.

In addition to the five matters above, there are two matters which the City expects will require the Commission's attention subsequent to this current proceeding:

- FEI's obligations to remove the entire approximately 5.5 km length of its NPS 20 IP line in Coquitlam when the line has been removed from service. The City fundamentally believes that FEI is responsible to remove its decommissioned pipeline from the City's street. It is not appropriate to abandon decommissioned facilities in a congested urban underground space because this would prevent the use of the space by other public interest infrastructure like water works, sewers and other utilities.
- A new operating agreement between FEI and the City to replace the legacy operating agreement from 1957. The 1957 operating agreement is from a time when FEI's predecessor was building new natural gas infrastructure in the Lower Mainland, there was significantly less (or no) congestion in the urban underground, and decommissioning of the new pipeline infrastructure would not become an issue for many decades.

Submissions on the Process

The Commission Panel also requested that the City provide submissions on the regulatory process and timetable for considering FEI's Application.

Firstly, the City submits that the Commission's proceeding should be open to the public. The implementation of the LMIPSU Project will have significant impacts on the community in Coquitlam and surrounding areas. The City does not support FEI's proposed process where the Commission would make determinations on certain issues with only the involvement of FEI and the City. If the Commission is going to determine and make orders addressing the matters identified above, the City submits that the Commission should do so on the basis of an open and transparent public process.

The City agrees with the Commission's decision to post FEI's Application on the Commission's current proceeding website to enable the public to intervene and review the Application and

submit comments. The City further believes that the Commission should require FEI to provide public notice of its Application in the appropriate newspapers. The City will post FEI's Application on the City's website.

Secondly, the City does not support FEI's proposed two-phase approach. The City believes that all of the five matters outlined in FEI's Application and confirmed above should be determined by the Commission in one decision on the basis of a public process. Matters 4 and 5 outlined above (removal of 380 metres of the decommissioned NPS 20 IP gas line, and repair and repaving of the damage that FEI and its contractors will do to Como Lake Avenue) are urgent matters that need to be incorporated into FEI's and the City's planning related to the implementation of the LMIPSU Project. As discussed above, the City does not see any difference between the five matters in issue that would warrant the Commission considering the matters separately. Moreover, FEI has not provided sufficient justification for its proposed two-phase approach. FEI suggests there might be urgency, but provides nothing specific in that regard. On page 7 of its Application, FEI says that its construction project in Coquitlam is not scheduled to begin until "early 2019 (weather permitting)".

The City proposes that the next step in the process should be for the City to submit its proposals in relation to each of the five matters at issue, including supporting explanation and evidence. The City expects that it will be able to make the proposed submission by August 3, 2018. Following such submission, the Commission could have a process for the Commission, FEI, the City and interveners to submit information requests (IRs) to the City and FEI about their respective proposals. Many City staff will be away in August, but the City will do its best to respond to any IRs on a timely basis.

Following such an IR process, FEI, the City and interveners could submit final arguments on a schedule that accommodates a Commission decision by mid-October.

Confidentiality of Certain Information

In section 1.4 of its Application, FEI requested confidential treatment of certain appendices to its Application. The City believes that FEI's request for confidential treatment is overly broad, capturing information that should be available to the public.

The City agrees with FEI's requested confidential treatment of technical information to the extent that disclosure of the information could jeopardise the safety and security of critical infrastructure; however, the City does not agree that the proposed terms for addressing the matters at issue in this proceeding are commercially sensitive or confidential. These terms will address the extent to which the impacts of the implementation of FEI's LMIPSU Projects on the City and the public will be mitigated, and the extent to which FEI, the City and/or the public will bear the costs resulting from FEI's project and its infrastructure. The City has no intention to request the Commission to treat the City's proposals as confidential.

The City's position is that all of FEI's Application should be made public except for technical information the disclosure of which could jeopardise the safety and security of critical

infrastructure. Moreover, the City believes that the terms ordered by the Commission as a result of this proceeding should support the public interest and should be made public. The basis for the Commission's determinations should be transparent to the public.

On April 6, 2018 the City submitted to the Commission responses to questions the Commission staff submitted to the City on February 19, 2018. Neither the Commission staff's questions nor the City's responses were identified as or considered confidential. The City requests that the City's April 6, 2018 response to the Commission staff's questions be placed on the public record of this proceeding.

Registration as an Intervener

Please register the City of Coquitlam as an intervener in this Commission proceeding. All of the City's submissions should be marked as proceeding exhibits and placed on the public record.

Contact Information

Please direct all correspondence regarding this proceeding to:

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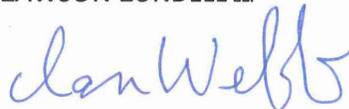
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Yours very truly,

LAWSON LUNDELL LLP



Ian Webb

cc. Stephanie James, City of Coquitlam
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