

Fred James
Chief Regulatory Officer
Phone: 604-623-4046
Fax: 604-623-4407
bchydroregulatorygroup@bchydro.com

April 3, 2019

Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

RE: Project No. 1598990
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Fiscal 2020 to Fiscal 2021 Revenue Requirements Application (Application)
Responses to Panel Information Request No. 1

BC Hydro writes in response to Panel Information Request No. 1 to BC Hydro issued in the above referenced proceeding.

1.0 Reference: Confidentiality Request
Exhibit B-1, Application, Appendix J, p. 69; Appendix B-1-1,
p. 1
DVES: West End Substation – Property Purchase

In Exhibit B-1-1, British Columbia Hydro and Power Authority (BC Hydro) states:

In Appendix I, J, K, and Y to the Application, BC Hydro has redacted certain information that is commercially sensitive....

Appendix I - Capital Expenditures > \$5 million

Appendix J - Capital Expenditures > \$20 million

Appendix K - Summaries of Capital Project Strategies Plans and Studies

In these appendices, the redacted information falls into two categories. BC Hydro has consistently treated these types of information as confidential.

- The name and certain financial information of a specific BC Hydro project (e.g., Project A, B, and C). If this information is disclosed it may prejudice BC Hydro's position in future negotiations (e.g., land acquisition or potential compensation).
- The name of a project specifically for, or driven by, a customer (e.g., Customer A, B, and C). If this information is disclosed it may prejudice a customer's commercial or competitive position.

On page 69 of Appendix J, BC Hydro redacted the filing references in relation to the DVES: West End Substation – Property Purchase.

- 1.1. Please explain how the filing references relate to the two categories of redacted information quoted in the preamble.

RESPONSE:

The filing references relating to the DVES: West End Substation – Property Purchase were redacted in error. The filing references are to the Fiscal 2017 to Fiscal 2019 Revenue Requirements Application:

- Appendix I, line 11;
- Appendix J, page 49 (BC Hydro notes that this document was filed in confidence with the BCUC as part of the Fiscal 2017 to Fiscal 2019 Revenue Requirements Application proceeding); and
- BC Hydro's Responses to BCUC IRs 1.70.3, 2.249.8, 2.260.4, 2.264.5, and BCOAPO IR 1.36.1.

BC Hydro has attached a public version of page 69 of Appendix J, with the filing references disclosed.

- 1.2. Please explain why it is necessary to redact only the filing references and not any of the other information related to the project on page 69 of Appendix J.

RESPONSE:

Please refer to BC Hydro's response to Panel Information Request 1.1 which explains that the filing references were redacted in error.

**2.0 Reference: Confidentiality Request
Exhibit B-1, Appendix Y, p. 7; Appendix BB, p. 11;
Exhibit B-1-1, p. 2
Appendix Y**

In Exhibit B-1-1, BC Hydro states:

The information redacted on pages 6 and 7 of Appendix Y to the Application pertains to names or identifiable information of customers. If disclosed, the information may potentially prejudice the customer's competitive position. BC Hydro has a contractual obligation to keep the information specifically related to the customer and the customer's project confidential.

- 2.1. Please confirm, or explain otherwise, that the Vancouver Fraser Port Authority – Low Carbon Drayage Study discussed on page 11 of Appendix BB is the same project that is discussed on page 7 of Appendix Y.

RESPONSE:

Confirmed. The project is the Vancouver Fraser Port Authority – Low Carbon Drayage Study.

- 2.1.1. If confirmed, please explain why the project name and certain information are redacted in only one of the above mentioned appendices.

RESPONSE:

Appendix BB (Fiscal 2018 Greenhouse Gas Reduction Regulation Annual Report) is the public version of a report originally submitted to the BCUC on July 27, 2018. At that time, the Vancouver Fraser Port Authority – Low Carbon Drayage Study was in the early stages of investigation, and the Vancouver Fraser Port Authority had raised concerns regarding the public distribution of commercially sensitive report content and regarding the timing of release relative to planned stakeholder engagement and communications.

In preparing the Application, BC Hydro contacted the Vancouver Fraser Port Authority to re-assess the need to keep the project name confidential. The Vancouver Fraser Port Authority indicated that it no longer had concerns with providing the project name. Therefore, BC Hydro disclosed the project name in Appendix Y (Low Carbon Electrification Program).

As Appendix BB was a copy of the original document submitted to the BCUC on July 27, 2018, BC Hydro did not make any changes to that document.

- 2.1.2. For the information identified above, please explain whether BC Hydro is requesting the information to be held publicly or confidentially. If a revision to the redactions is required, please refile the confidential and public versions of the Appendices as appropriate.

RESPONSE:

BC Hydro is requesting the information to be held publicly.

BC Hydro has attached a public version of page 11 of 22 of Appendix BB, with the project name and other identifying information disclosed.

Concurrent with this filing and under a separate cover, BC Hydro is filing a confidential un-redacted version of Appendix BB in its entirety, with the BCUC. An un-redacted version was originally filed with the BCUC on July 27, 2018.

- 2.2. Please confirm, or explain otherwise, that the information identified above is the only inconsistent redaction between Appendices Y and BB.

RESPONSE:

Confirmed.

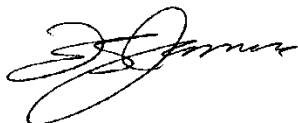
- 2.2.1. If not confirmed, please identify and explain the reasons for the inconsistencies.

RESPONSE:

Please refer to BC Hydro's response to Panel Information Request 2.2, which confirms that there are no other inconsistencies between Appendices Y and BB beyond the information identified by the Panel.

For further information, please contact Chris Sandve at 604-974-4641 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Fred James
Chief Regulatory Officer

cs/rh

Enclosure

Investment Planning ID: 900219	Project Name: DVES: West End Substation - Property Purchase	
Forecast Capital Cost: \$80.7 million	Forecast In-Service Date: ¹ Fiscal 2021	Start Date of Construction: ² Fiscal 2019
Development Phase: Implementation	Filing Reference: F17-F19 RRA: <ul style="list-style-type: none"> Appendix I, line 11, Appendix J, page 49 BCUC IRs 1.70.3, 2.249.8, 2.260.4, 2.264.5, BCOAPO IR 1.36.1 	
Description: The purpose of this project is to acquire property rights to allow construction of a new substation in the West End of downtown Vancouver to replace the existing Dal Grauer substation. Refer to Appendix K – Downtown Vancouver Electric Supply Plan for additional information.		
Key Drivers: <ul style="list-style-type: none"> Reliability 		
Issues Being Addressed: Vancouver's downtown peninsula is currently supplied by three substations; Murrin (MUR), Dal Grauer (DGR), and Cathedral Square (CSQ). All three are approaching their firm capacity, with DGR and MUR approaching end-of-life as they date to 1953 and 1947, respectively. DGR is too physically constrained to allow for expansion or redevelopment while serving load, with no practical means of transferring the load to nearby stations. In addition, DGR is radially supplied by four 69 kV underground circuits fed by two 230/69 kV transformers located at MUR. These circuits and transformers are vulnerable to severe earthquake damage. For these reasons, a replacement station for DGR in a new location is required. This project secures the property rights to allow the replacement of DGR (195 MVA capacity) with a new substation in the West End (ultimate 400 MVA capacity). The scope of this project is to acquire property rights to site the new West End Substation, including required transmission and distribution rights-of-ways. Underground property rights for the substation were acquired in August 2018 from the Vancouver School Board at the location presently occupied by the existing Lord Roberts Annex school at 1150 Nelson Street. The acquisition of the remaining required property rights, including distribution and transmission statutory rights-of-way through Nelson Park, is ongoing and is expected to be complete by early fiscal 2021. A separate project to design and construct the new substation will be initiated later in fiscal 2019 now that the location and attributes of the acquired property are defined.		
Discussion of Alternatives: Eleven potential downtown sites were investigated for the new West End Substation. These were shortlisted to four sites, and eventually BC Hydro made conditional offers on two sites: an underground parcel sited by the existing Lord Roberts Annex, and a private property several blocks to the west. The private property was more expensive than the forecasted property rights at the Lord Roberts Annex, but allowed for the construction of a less expensive above-ground indoor substation when compared to an underground station required at Lord Roberts Annex. With the additional transmission and distribution connectivity costs for the private property factored in, the overall cost of the new West End Substation including all required property rights was estimated to be similar at both sites. BC Hydro determined that the parcel at Lord Roberts Annex was the preferred alternative given all the benefits that this alternative will provide to the Vancouver School Board and the residents of downtown Vancouver. The avoidance of uncertainty and delay in the acquisition of property rights, and the fact that		

¹ Forecast In-Service Date refers to date when required rights of way through Nelson Park are secured.

² Start Date of Construction refers to the approval date to acquire the property.

<p>Lord Roberts Annex is closer to DGR which will result in a more efficient transfer of load and de-energization of DGR, were also significant advantages.</p> <p>The property rights secured at Lord Roberts Annex include an underground parcel on a fee-simple basis which avoids the future expenditure and risk of a long-term leasehold arrangement.</p>	
<p>Project Impacts and Benefits:</p> <p>The project will allow the replacement of DGR, and thereby improve security of supply to the downtown peninsula.</p>	
<p>Project Implementation Phase Risk:</p> <p>Rights-of-way on an adjacent property must still be secured - the timing and cost may vary from current expectations.</p>	<p>Risk Treatment:</p> <p>Negotiate with property owner, after the stakeholder consultation process, to find a suitable compromise for all parties.</p>
<p>Additional Information:</p> <p>This project will be followed by a project developed under Planning ID 900598 to design and build a substation on this site.</p>	

1 would be a viable option. The electrification study was an undertaking within the
2 class of prescribed undertakings set out in section 4(3)(c) of the GGRR.

3 (ii) [REDACTED] The focus
4 of this project was to explore low-carbon electrification [REDACTED]
5 materials-handling methods. The current materials-handling method for [REDACTED]
6 removal involves use of diesel fueled equipment to remove the [REDACTED]
7 [REDACTED] and [REDACTED] trucks (diesel-fueled) to transport [REDACTED]
8 [REDACTED]. The project examined a potential electrified
9 system to [REDACTED]. The study is complete and found that a reduction in
10 carbon dioxide equivalent (CO₂e) could be made. Based on the assessment in
11 the study it was recommended to proceed with a detailed feasibility study to
12 further develop the concepts and establish a preliminary design and
13 corresponding capital cost estimate. It is also an undertaking within the class of
14 prescribed undertakings set out in section 4(3)(c) of the GGRR.

15 (iii) Vancouver Fraser Port Authority- Low Carbon Drayage Study: This Lower
16 Mainland project was the first phase of investigations into ways low-carbon
17 technologies could be introduced into the local transportation network to reduce
18 carbon emissions. Drayage refers to transporting goods a short distance via
19 (diesel-fueled) ground freight. The study is complete and found that there are
20 many inherent challenges when considering the implementation and promotion
21 of new technologies into the fragmented and competitive drayage network.
22 However, it is recommended that the Vancouver Fraser Port Authority continue
23 to maintain a broad outlook towards each of the low-carbon technologies
24 identified in the study as being suitable for reducing carbon in the drayage
25 industry. It is also an undertaking within the class of prescribed undertakings
26 set out in section 4(3)(c) of the GGRR.