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Utilities Commission

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November 21, 2019

Sent via email/eFile

CB POWERLINE LTD. – EXEMPTION APPLICATION EXHIBIT A-5

Mr. Fred James
Chief Regulatory Officer
Regulatory & Rates Group
British Columbia Hydro and Power Authority
16th Floor - 333 Dunsmuir Street
Vancouver, BC V6B 5R3
bhydroregulatorygroup@bhydro.com

Re: CB Powerline Ltd. – Application for an Exemption from Part 3 of the *Utilities Commission Act*, pursuant to Section 88(3) – Project No. 1599020 – Information Request No. 1

Dear Mr. James:

Further to British Columbia Utilities Commission Order G-253-19, enclosed please find British Columbia Utilities Commission Information Request No. 1 to British Columbia Hydro and Power Authority. In accordance with the regulatory timetable, please file your responses on or before Thursday, December 5, 2019.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

DB/dg
Enclosure



British Columbia Hydro and Power Authority
Application for an exemption from Part 3 of the *Utilities Commission Act*, pursuant to section 88(3)

INFORMATION REQUEST NO. 1 TO BC HYDRO

A. BC HYDRO SERVICE AREAS

**1.0 Reference: ELECTRICAL SERVICE ALTERNATIVES
Exhibit B-1 (Application), Section 3.1, p. 7
Service Area Connection Policy**

Page 7 of CB Powerline Ltd.'s (CBP) application for an exemption from Part 3 of the *Utilities Commission Act* (UCA) pursuant to section 88(3) (Application), states:

Following the Fortis and [Ministry of Transportation and Infrastructure] discussions, CBP approached [BC Hydro] in 2017 and again 2019. These discussions focused upon two alternate supply approaches:

1. [BC Hydro] to undertake all aspects of service to the community
2. CBP to permit and construct service to the community, with the assets subsequently transferred to [BC Hydro] for operation and maintenance.

Based upon these discussions, [BC Hydro] declined both alternatives, citing both small scale of the service area and that small size coupled with construction costs would not facilitate [BC Hydro] maintaining its standard rate base for the community members. Consequently, CBP was left to undertake the Project independently.

- 1.1 Please confirm that the area of Cosens Bay is within BC Hydro's service territory.
- 1.2 Please provide a detailed map showing BC Hydro's service areas within 100 km of Cosens Bay.
- 1.3 Please discuss if BC Hydro has an obligation to serve the community of Cosens Bay.
- 1.4 Please confirm that CBP made a request to BC Hydro for service between 2017 and 2019. In your response please provide details of any request(s) made and any correspondence between BC Hydro and CBP regarding this matter.
- 1.5 For each of the two alternate supply options explored with CBP, please provide further information on the discussions held. In your response please include a summary of the project, details of the point of connection and route to BC Hydro's infrastructure, estimated construction and operation costs and any relevant documents or communications explaining why the two options were not considered to be feasible by BC Hydro.
- 1.6 Please confirm, or otherwise explain, whether BC Hydro has considered or proposed any other alternative supply approaches.
 - 1.6.1 If confirmed, please provide details of the alternative supply approaches explored and why they were not considered to be viable options.

- 1.7 Please confirm if BC Hydro has offered to provide any assistance to CBP for its Project. In your response please provide any correspondence between BC Hydro and CBP relating to any potential assistance, including any commitments made by BC Hydro.
- 1.8 If BC Hydro was to provide service to the Cosens Bay community, please provide the total cost to BC Hydro for providing the service. In your response please provide details of all assumptions made, including the proposed point of connection to BC Hydro's system and the proposed route for the distribution line.
 - 1.8.1 In this scenario please explain whether the Cosens Bay community would be required to pay an extension fee (or similar) in order to receive service from BC Hydro. If confirmed, please provide the cost of the extension fee and explain how it was calculated.

**2.0 Reference: THE PROJECT
Exhibit B-2, Attachment 4.10, p. 1
BC Hydro Secondary Meter**

On page 1 of Attachment 4.10 to Exhibit B-2, CBP provides e-mail correspondence dated Tuesday, May 14, 2019, between BC Hydro and CBP, in which BC Hydro states:

BC Hydro will not be building or taking ownership of customer build lines for the proposed Cosens bay project however we may be able to secondary meter customers and bill them directly given that services are built to [BC Hydro] standards (see our secondary metering guide).

- 2.1 Please provide BC Hydro's Secondary Metering Guide.
- 2.2 Please provide an overview of BC Hydro's Secondary Metering service. In your response please provide a summary of: (i) the key components of the service and how it works; (ii) BC Hydro and CBP's responsibilities; (iii) connection requirements; and (iv) operation and maintenance requirements.
- 2.3 Please discuss whether CBP and BC Hydro explored the viability of adopting BC Hydro's Secondary Metering service. Please provide details of any correspondence and explain why the option was not considered to be viable.
- 2.4 Please discuss whether BC Hydro has taken ownership of customer-built lines in other areas and provide examples of any such projects.
- 2.5 Please explain why BC Hydro does not propose to take ownership of the customer build lines for the proposed Cosens Bay project.

**3.0 Reference: THE PROJECT
Exhibit B-1, Section 2, pp. 4-5; Attachment A-6, p. 1; Exhibit B-2, BCUC IR 10.4.2
BC Hydro Primary Service Connection**

On pages 4 and 5 of its Application, CBP states:

CBP is not a generator of electricity, therefore, it must source an electricity supply from the British Columbia Hydro and Power Authority ("BCH"). To facilitate this supply, it is the intention of CBP to make a formal application with BCH for a customer owned Primary Service Connection, in turn constructing and operating a Cosens Bay, community-specific electricity delivery system as highlighted below.

To supply electricity to its Buyers, CBP has identified the development and construction scope as:

- connection to BCH's 25 kV distribution system
- installation of a revenue meter at the point of connection (" POC")
- combination of overhead, submarine, and underground power line from the BCH POC to the community of Cosens Bay, with exact locations to be determined based upon environmental, engineering, landowner, and cost evaluations (evaluations that are presently underway)
- within the community of Cosens Bay, combination of overhead and underground 25 kV power lines, transformers, and secondary service cables
- installation of fiber optic cable
- installation of a revenue meter at each customer's off-take point (collectively, the "Project" and shown generally on Figure 1).

Pending receipt of this Exemption, and all other applicable permits and approvals, CBP's goal is to place the Project into service on or before May 18, 2020.

In Attachment A-6 of its Application, CBP provided a newsletter outlining activities for the community power project:

May-June Activities

- Enter into option agreements with West Kalamalka Lake property owners
- Submission of BCUC exemption application
- Formal tender of submarine cable
- Complete regulatory field studies
- Prepare project schedule and cost estimate
- Finalize submarine cable route and BC Hydro Point of Connection
- BC Hydro connection application

In response to British Columbia Utilities Commission (BCUC) Information Request (IR) 10.4.2 CBP stated:

In consideration of the various regulatory processes and technical requirements, CBP has revised the targeted in-service date to Q4 2020.

- 3.1 Please confirm whether CBP has submitted a Primary Service Connection (PSC) application to BC Hydro.
 - 3.1.1 If confirmed, please provide details on the progress of the PSC application and any outstanding milestones.
- 3.2 Please provide the current processing times for a PSC application and provide CBP's expected date of authorization for connection.
- 3.3 Please discuss any potential factors that may lead to the rejection of the PSC application. In your response please provide any correspondence with CBP related to this matter.
- 3.4 Please provide BC Hydro's estimated costs for connection should CBP's Project go ahead.
- 3.5 Please discuss whether BC Hydro has identified any potential issues with the Project, including the Q4 2020 date set by CBP to place the Project into service.
 - 3.5.1 Please discuss if BC Hydro has any concerns with the potential routes identified by CBP.

- 3.6 Please discuss whether BC Hydro has indicated it will provide any support for the submarine cable route and connection.
- 3.7 Please provide examples of any similar distribution projects which incorporate submarine cables, that BC Hydro has undertaken. In your response, please include a breakdown of construction and operation costs.
- 3.8 Please provide an overview of BC Hydro's design criteria and/or technical specifications for the design, construction and operation of overhead, underground and submarine cables for 25 kV distribution systems. Please provide references for any relevant documentation.
- 3.9 Please discuss BC Hydro's requirements (if any) for distributed generation connected to the customer side of a PSC.
- 3.10 Please discuss whether CBP would be a Net Metering customer of BC Hydro, or whether CBP would be required to notify BC Hydro of any distributed generation interconnections.
 - 3.10.1 If confirmed, please provide details of the process.