



**Doug Slater**  
Director, Regulatory Affairs

**Gas Regulatory Affairs Correspondence**  
Email: [gas.regulatory.affairs@fortisbc.com](mailto:gas.regulatory.affairs@fortisbc.com)

**Electric Regulatory Affairs Correspondence**  
Email: [electricity.regulatory.affairs@fortisbc.com](mailto:electricity.regulatory.affairs@fortisbc.com)

**FortisBC**  
16705 Fraser Highway  
Surrey, B.C. V4N 0E8  
Tel: (778) 578-3874  
Cell: (778) 214-3842  
Fax: (604) 576-7074  
Email: [doug.slater@fortisbc.com](mailto:doug.slater@fortisbc.com)  
[www.fortisbc.com](http://www.fortisbc.com)

April 2, 2019

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: FortisBC Inc. (FBC)**

**Project No. 1598987**

**Application for a Certificate of Public Convenience and Necessity for the Grand Forks Terminal Station Reliability Project – FBC Submission on Process**

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FBC respectfully provides its written submissions on further process in accordance with the amended regulatory timetable established by Order G-68-19, including its response to the April 1, 2019 and April 2, 2019 submissions of the Industrial Customers Group (ICG) (Exhibits C4-6-1 and C4-7). FBC submits that the review of this Application should proceed to the written argument phase.

The proceeding record to date includes two full rounds of information requests (IRs) in which FBC has addressed IRs from the BCUC and from five interveners (Alan Wait, British Columbia Municipal Electrical Utilities (BCMEU), Industrial Customers Group (ICG), British Columbia Old Age Pensioners' Organization et al. (BCOAPO) and Commercial Energy Consumers Association of British Columbia (CEC)).

After the first round of IRs, intervener submissions on process were submitted by BCMEU, BCOAPO, CEC and ICG. At that time, three of the interveners (BCMEU, BCOAPO and CEC) supported moving to final argument while ICG requested a second round of IRs. The BCUC determined that a second round of IRs was appropriate, three interveners (BCOAPO, CEC and ICG) submitted IRs, and FBC has now addressed that round in full.

After the two rounds of IRs, interveners were given an opportunity to give notice of any intention to file evidence in the proceeding. None have indicated that they wish to do so. ICG filed Exhibit C4-6, a letter indicating that it did not seek to file evidence. However, ICG

in Exhibit C4-6 requested that FBC file additional information and the BCUC in Exhibit A-7 directed ICG to provide its reasoning for requesting an additional round of IRs. ICG responded on April 1, 2019 (Exhibit C4-6-1), stating that:

...the requested load information [for the single largest end-use customer] is necessary to consider options that relate to load management and the possibility of delaying the upgrades beyond the project schedule proposed by FortisBC. This information will contribute to a better understanding by the BCUC of the issues in this proceeding because the opportunities for load management as a means to delay the project are not considered in the Application.

FBC submits that the BCUC should not grant ICG's request for the following reasons. First, the ICG has raised this issue very late in the proceeding when it could have done so earlier. Load management is not extensively addressed on the record because none of the parties, nor the BCUC, chose to address it, including during intervener or BCUC IRs or with the filing of intervener evidence. ICG now seeks to identify the rate category of a single customer in order to pursue whether the Project could be delayed through management of that customer's load.

Second, the evidence on the record to date does not support the premise that load management is a reasonable alternative to avoid or delay the Project. As stated in the application, the Project is required to bring the Grand Forks area into compliance with FBC's single contingency (N-1) planning criteria, which requires that area load can be met in the event of an outage of a single system element.<sup>1</sup> Consequently, load management strategies would require a peak load reduction of at least 7 MW to reduce the maximum load on GFT T1 from 34 MW<sup>2</sup> to below 27 MW<sup>3</sup> which is the peak load that is supported under the N-1 planning criteria. This degree of peak load reduction from a single customer is not reasonable even at current load levels, disregarding future growth. The two load management strategies, demand side management (DSM) and load curtailment, are discussed in more detail below.

### **1. Demand Side Management**

DSM can be an effective means of reducing or shifting peak load, however, as demonstrated above, the amount of load reduction required in this instance would be very substantial (more than 7 MW) in relation to the total area load. For example, the amount of peak load reduction required is roughly equal to the 2018 winter peak for the City of Grand Forks, FBC's single largest customer in the Grand Forks area.<sup>4</sup> FBC is investigating the potential use of Demand Response (DR) for mitigating system peaks<sup>5</sup>, but it is not feasible that a DR offering would be

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<sup>1</sup> Exhibit B-1 (Application) at p.14.

<sup>2</sup> Exhibit B-1 (Application) at p. 12.

<sup>3</sup> Exhibit B-1 (Application) at p 14. 27 MW represents the maximum load that can be supplied by 9 Line operating alone since 10 Line is normally open due to its deteriorated condition.

<sup>4</sup> Exhibit B-12. FBC response to ICG IR 2.12.1 identifies the largest individual customer based on contract demand.

<sup>5</sup> The issue of Demand Response was examined in FBC's 2019-2022 DSM Expenditure Schedule filing, accepted by Order G-47-19.

able to reduce the customer's peak load by the required amount. Accordingly, DSM is not a reasonable alternative.

## **2. Load Curtailment**

Involuntary load curtailment is a temporary emergency measure, not used for system planning purposes. Load curtailment is not only disruptive to affected customers, but it violates the N-1 planning criteria, which requires that an outage of a single element with all other elements of the power system in service will result in no loss of load.<sup>6</sup> Therefore FBC submits that curtailment is not a reasonable solution.

However, should the BCUC determine that the information requested by ICG would be beneficial in its review of the Application, FBC submits that the information should be filed in confidence only with the BCUC and not be made available to other parties, even pursuant to the signed waivers of confidentiality. As FBC stated in its March 27, 2019 response (Exhibit B-13) to ICG's request of March 25, 2019 (Exhibit C4-6),

...identifying an end-user and its load is commercially sensitive and private information of the end-user. FBC would not be able to release this information to ICG, even on an undertaking of confidentiality, without first obtaining permission from that customer.

By way of Exhibit C4-6-1, ICG withdrew its request to identify the specific customer and instead requested that FBC confirm the customer is an industrial customer and provide its load data, and in Exhibit C4-7 states that this addresses FBC's concerns for the confidentiality of its customers' information. FBC disagrees that providing the customer's rate category and load data would be sufficient to safeguard the identity of the customer given the size of the customer base in Grand Forks. FBC, therefore, proposes that the customer load should be revealed only to the BCUC, if the BCUC deems this information sufficiently relevant or necessary at all.

Given the above, and in the absence of any intervener request to file evidence, FBC submits that there is an ample record in this proceeding and it should now move to the written argument phase.

As noted in the Application (Exhibit B-1 at pp. 35-36), if approval is granted, FBC proposes to begin engineering and procurement for the project immediately thereafter. The Application contemplates commencing civil construction in the third quarter of 2019 and electrical construction in the fourth quarter of 2019, with final commissioning/handovers in the third quarter of 2020 and final construction and commissioning by the end of the second quarter of 2021. The project timeline is further detailed in the project schedule included in Appendix G of the Application, which assumes BCUC approval of the Application by June 3, 2019. Lead time for procurement of a new transformer can be up to a year.<sup>7</sup> To avoid unnecessary delays to the project, FBC submits that the schedule for final submissions should permit sufficient time for the BCUC to make a decision on or about that date.

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<sup>6</sup> Exhibit B-1 (Application) at p. 11, footnote 7.

<sup>7</sup> Exhibit B-1 (Application) at p. 27.

FBC proposes the following timetable for submissions:

- April 17, 2019 – FBC to file final submissions;<sup>8</sup>
- April 26, 2019 – Interveners to file final submissions;
- May 3, 2019 – FBC to file reply submissions.

Finally, FBC in its response to ICG's submissions dated March 27, 2019 (Exhibit B-13) requested that ICG identify the organizations that it represents. ICG omitted the identification of its principals in Exhibit C4-6, and FBC respectfully requests that the BCUC direct ICG to identify its principals.

If further information is required, please contact the undersigned.

Sincerely,

**FORTISBC INC.**

***Original signed:***

Doug Slater

cc (email only): Registered Parties

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<sup>8</sup> This proposed timetable remains appropriate even if the BCUC directs FBC to submit the information requested by ICG.