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CONFIDENTIAL

September 13, 2021

British Columbia Utilities Commission Suite 410, 900 Howe Street Vancouver, B.C. V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary

Dear Mr. Wruck:

Re: FortisBC Energy Inc. (FEI)

Application for a Certificate of Public Convenience and Necessity (CPCN) for the Tilbury Liquefied Natural Gas (LNG) Storage expansion (TLSE) Project (Application)

Response to the British Columbia Utilities Commission (BCUC) CONFIDENTIAL Information Request (IR) No. 1

FEI respectfully submits the attached response to BCUC CONFIDENTIAL IR No. 1 in the Application referenced above.

Treatment of Confidential Material

Due to the sensitive and confidential nature of some of the information in the Application, FEI is filing some responses and attachments to information requests on a confidential basis pursuant to Section 18 of the BCUC's Rules of Practice and Procedure regarding confidential documents, as set out in Order G-15-19. FEI's treatment of security-sensitive and commercially-sensitive information in these responses is consistent with BCUC Order G-161-21 and the Revised Confidential Application (Exhibit B-1-3). All of that information will be available to interveners who have previously signed and provided the BCUC Confidentiality Declaration and Undertaking form (Undertaking) and the revised non-disclosure agreement (NDA). In the case of interveners who have only provided the signed Undertaking, they will receive all commercially-sensitive information only.

While some parties submitted information requests on a confidential basis, in order to maximize the amount of information on the public record, FEI has reviewed the preambles, questions, responses, and related attachments and in instances where confidential information is not disclosed, FEI has filed the information publicly, redacting all confidential information (both commercially-sensitive and security-sensitive). In cases where the information requests

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were submitted publicly, if the responses or related attachments disclose security-sensitive or commercially-sensitive confidential information, FEI has redacted those portions for the public record.

If further information is required, please contact the undersigned.
Sincerely,
FORTISBC ENERGY INC.
Original signed: Diane Roy Attachments



FortisBC Energy Inc. (FEI or the Company)

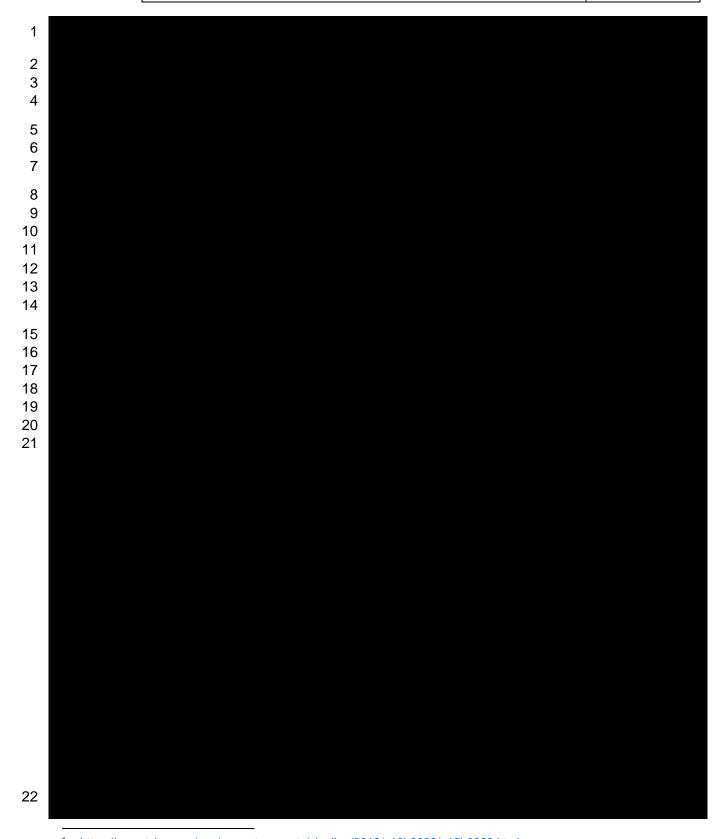
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3	B.	PROJECT DESCRIPTION6
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5		
6	A.	PROJECT NEED
7	1.0	Reference: PROJECT NEED
8		Exhibit B-1-1 (Confidential Application), pp. 41, 52
9		2018 T-South Incident
10 11 12		On page 41 of the Confidential Application for a Certificate of Public Convenience and Necessity (CPCN) for the Tilbury Liquefied Natural Gas (LNG) Storage Expansion (TLSE) Project, FortisBC Energy Inc. (FEI) states:
13 14 15 16		there was a significant delay before reliable and actionable information was available following the pipeline rupture. The information delay was caused by a number of factors, including the relatively remote location of the rupture, as well as Westcoast's inability to physically inspect the site due to the fire that occurred.
17		On page 52 Confidential Application, FEI states:
18 19 20		To recap, the initial T-South "no-flow" situation lasted approximately two days. The speed with which Westcoast was able to resume service was a function of very favourable conditions:
21 22 23 24		
25 26 27		
28 29 30		



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 $^{^{1} \}quad \underline{\text{https://www.tsb.gc.ca/eng/rapports-reports/pipeline/2018/p18h0088/p18h0088.html.}}$



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1.2 Please describe the accessibility characteristics of the T-South system.

Response:

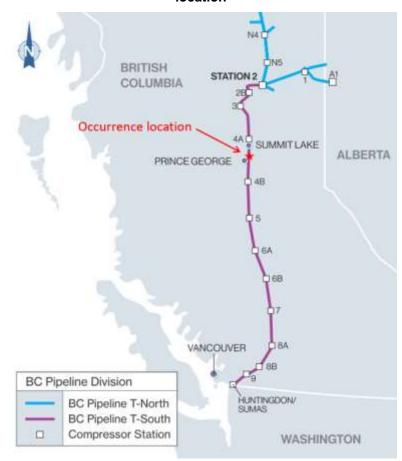
FEI does not have access to the information required to describe the accessibility characteristics of the entire T-South system in detail.

However, based on publicly available information from the Transportation Safety Board of Canada Pipeline Transportation Safety Investigation Report P18H0088, the T-South system consists of a nominal pipe size (NPS) 36 L2 natural gas pipeline and a NPS 30 L1 natural gas pipeline that extends 917 km from Compressor Station 2 to the Huntingdon Meter Station in Huntingdon, BC, as shown in Figure 1 below. The T-South system spans almost the entire length of the Province of BC in a north to south fashion, passing through mountainous and forested areas that are sparsely populated.



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Figure 1: Map showing Westcoast's T-South natural gas pipeline network and the occurrence location



1.3 Based on FEI's experience, please provide an estimate of the additional time that may be required to respond to a pipeline rupture in snowy conditions.

Response:

While FEI does not have experience with emergency response to a transmission pipeline rupture in snowy conditions, it is FEI's expectation that snowy conditions would likely increase the emergency response time to a pipeline rupture by hours or days depending on the location of the pipeline rupture, the nature of the weather conditions, and the availability of emergency response personnel and equipment. This expectation is based on FEI's several decades of experience in pipeline construction, operations, and maintenance (both planned and unplanned) throughout the province.

FEI has experience with emergency response on its distribution system, and has experienced emergency response delays due to adverse winter weather conditions and corresponding road



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closures due to heavy snow, avalanches, and accidents from icy road conditions. One relevant example is an event that occurred on Vancouver Island in December 1996 during a very heavy snowfall that blanketed the Lower Mainland and Vancouver Island with over a metre of snow in some locations. During the storm, the Parksville gate station experienced mechanical problems and FEI lost 2,700 customers because the heavy snow made it impossible to safely travel on some of the roads in Parksville. Parksville is otherwise highly accessible, and if the roads had been in safe drivable condition, then FEI would have been able to reach the station in time and would have prevented 2,700 customers from losing gas supply.

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1.4 Please further explain how Westcoast was able to determine quickly that the rupture only affected one of the two lines.

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Response:

According to the Transportation Safety Board of Canada Pipeline Transportation Safety Investigation Report P18H0088, "an RCMP (Royal Canadian Mounted Police), helicopter, with Westcoast employees on board, surveyed the site. It was confirmed that a natural gas pipeline rupture and ignition had occurred on the NPS 36 L2 pipeline."2



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1	B.	PROJ	ECT DE	ESCRIPTION
2	2.0	Refere	ence:	PROJECT DESCRIPTION
3				Exhibit B-1-1 (Confidential Application), Appendix E-1, pp. 6-8
4				Contractor Documents
5		On pa	ges 6-8	of Appendix E-1, FEI provides a list of technical documents.
6		2.1	Please	e provide copies of the most recent revisions of the following documents:
7				
8				
9 10				
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14 15				
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18 19	Respo	nse:		
20			o Confi	dential Attachment 2.1 for the requested revised documents.
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23		0.0	Disease	and the December Class Dispusses and Divisor O Jackson (client
24 25		2.2		e provide the Process Flow Diagrams and Piping & Instrumentation Ims for the TLSE Project.
26	D			
27	Respo	onse:		
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1 2 3 4 5 6 7 8 9 10 11 12 13 14

Response:

Please refer to the response to BCUC Confidential IR1 3.1.



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4.0 Reference: PROJECT DESCRIPTION
 Exhibit B-1-1, Appendix E-1, p. 14
 Ground Improvement
 On page 14 of Appendix E-1, FEI states:



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1	5.0	Refere	ence:	PROJECT DESCRIPTION
2				Exhibit B-1-1, Appendix E-1, p. 20
3				Wind Loads
4		On pag	ge 20 of	the Appendix E-1, FEI states:
5 6				
7 8 9		5.1	Please Z276.	confirm whether the designed for wind loads meet the requirements of CSA
10	Respo	onse:		
11 12 13 14	Z276 (shall b design	Clause 7 e deteri n meets	7.1.6 sta mined u the win	ter concrete tank for wind meets the requirements of CSA Z276-18. CSA tes that: "The wind and snow loads for the design of LNG storage containers sing the procedures outlined in the National Building Code of Canada." The d requirements in the British Columbia Building Code (BCBC 2018) which quirements of the National Building Code of Canada (NBCC 2015).
16 17				
18 19 20 21		5.2		e provide the wind speed which was assumed for any radiant heat exclusion ce assessments completed by FEI or its contractors.
22	Respo	nse:		
23 24 25 26	tanks. reinfor	The ex	kisting T ncrete re	on distance assessments are not applicable for the Tilbury LNG storage filbury 1A tank and the proposed TLSE tank are full containment tanks with pofs where tank top fire is not considered a credible scenario according to
27 28				
29 30 31 32			5.2.1	Please provide the wind rose used by FEI and its contractors for the Tilbury LNG site.
33	Respo	onse:		
34 35 36				



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6.0 Reference: PROJECT DESCRIPTION Exhibit B-1-1, Appendix E-1, p. 25 **LNG Tank Boil-Off Rate** On page 25 of Appendix E-1, FEI states: 6.1 Please confirm the maximum ambient temperature used in the calculation of boil-off rate. Response:



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1	7.0	Reference:	PROJECT DESCRIPTION
2			Exhibit B-1-1, Appendix E-1, p. 27
3			Pressure and Vacuum Relief Valves
4		On page 27 c	of Appendix E-1, FEI states:
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1	8.0	Reference:	PROJECT DESCRIPTION
2 3			Exhibit B-1-1, Appendix E-1, p. 27-28; Section 5.3.3.3, p. 132; Appendix E-3, p. 4
4	_		LNG In-Tank Pumps
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6 7			
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15	_	On page 132	of the Confidential Application, FEI states:
16 17 18		as par	n-tank pumps (one operating and one spare) will be installed in the 3 Bcf tank to of the Project in order to provide send-out gas to the regasification package timately to the FEI transmission system.
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24	On page 4 of Appendix E-3, FEI states:
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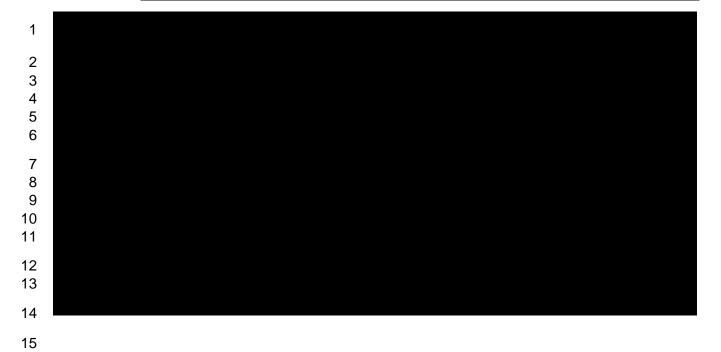


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1	9.0	Reference:	PROJECT DESCRIPTION
2			Exhibit B-1-1, Appendix E-2, pp. 11-12; Appendix E-1, p. 11; Section 4.4.1.3, p. 109
4			Isolated LNG Tank Foundation
5		On page 11 o	f Appendix E-2, FEI states regarding a 2 BCF tank design:
6 7 8 9			
10		On page 12 o	f Appendix E-2, FEI states regarding a 3 BCF tank design:
11 12 13			
14 15 16			
17 18 19			
20 21 22 23 24 25 26 27			
28		On page 11 o	f Appendix E-1, FEI states regarding a 3 BCF tank design:
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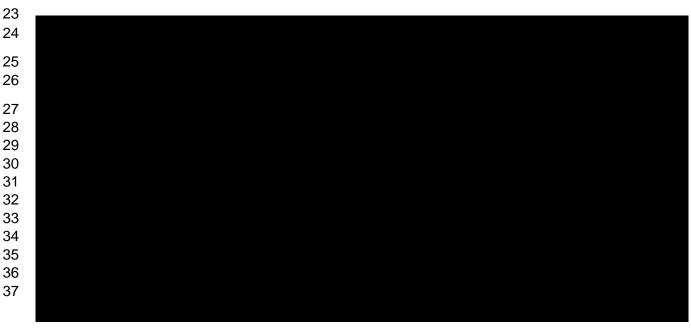


On page 109 of the Confidential Application, FEI states in the section entitled *Criterion 3* – *Constructability: Marginal Difference in Constructability Between 2 and 3 Bcf Tanks*:

Constructability considers the ability to safely and economically construct the LNG storage and regasification equipment as well as the potential impact of construction on FEI's existing LNG operations and the area surrounding the Tilbury site. Constructability also considers any design risks associated with constructing different sizes of LNG storage tanks...

Engineering work completed to date does not indicate any significant safety risks or constructability risks associated with building a 2 or 3 Bcf tank.

9.2 Please explain on what basis FEI determined there were marginal constructability differences between a 2 BCF tank and 3 BCF tank.





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10.0 Reference: PROJECT DESCRIPTION Exhibit B-1-1, Appendix H, p. 5 **Auxiliary Systems Basis of Estimate and Cost Estimate** On page 5 of Appendix H, FEI states: Please clarify whether the project referred to in the above preamble is the TLSE 10.1 Project currently seeking CPCN approval. Response:



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1	11.0	Refere	ence: I	PROJECT DESCRIPTION
2			I	Exhibit B-1-1, Appendix K, pp. 9-12
3			I	Major Risks
4 5				
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14	-	11.1		provide a summary, based on FEI's current understanding, of the impacts
15 16			that the	TLSE Project may have beyond the property boundary.
17	Res	oonse:		
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27 28			11.1.1	Please explain whether the decision to construct a 2 BCF tank vs a 3
29				BCF tank results in changes (increase or decrease) to the impact of the
30 31				TLSE Project beyond property boundaries.
32	Res	oonse:		
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34 35				
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Please explain how FEI is mitigating the identified risk of not having a mature major 11.2 project management process to manage a project of this scale and complexity.

Response:

11.2.1 Please discuss the potential consequences, with respect to Project cost and schedule, if this identified risk is not sufficiently mitigated.

Response:



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Please provide an update as to whether there is a need for a flare as part of the

Please provide a plot plan which shows the potential location of a

temporary flare to be installed as part of the TLSE Project and the

potential location of a permanent flare as part of T1B Project.

Response:

11.3

There is no identified requirement for a permanent flare as part of the TLSE Project. Based on the work completed to date and FEI's understanding of the air permit requirements FEI does not believe there will be a need for a temporary flare for the TLSE project, however, this will be confirmed through the Metro Vancouver air permitting process, which will take place after detailed design.

21 Response:

Please refer to the response to BCUC Confidential IR1 11.3.

11.3.1

TLSE Expansion Project.

With respect to Tilbury 1B, the locations of permanent and temporary flares have not been determined.



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12.0 Reference: PROJECT DESCRIPTION Exhibit B-1-1, Appendix K, pp. 15-16 **Project Definition Maturity** On page 15 and 16 of Appendix K, FEI states: 12.1 Please provide an update on the status of the site-wide QRA, indicating whether it has been completed. 12.1.1 If it has been completed, please provide a summary of the outcomes with respect to layout decisions and FEI's understanding of what expansion projects "can be built reasonably at the current site." 12.1.2 If the QRA has not been completed, please clarify when FEI expects to complete the QRA. Response:



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12.1.3 Please explain whether, in FEI's opinion, a QRA study ought to be completed prior to FEI being granted a CPCN for the TLSE Project. **Response:** 12.2 Please provide an update on FEI's progress with respect to assessing site-wide ground conditions and developing a ground improvement plan. Response: 12.3 Please clarify whether a HAZOP has been completed for the TLSE system (vaporizers, Tank, and Auxiliary piping). 12.3.1 Please explain whether, in FEI's opinion, a HAZOP study ought to be completed prior to FEI being granted a CPCN for the TLSE Project. Response:



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3.0 Reference: PROJECT DESCRIPTION Exhibit B-1-1, Appendix K, p. 17 **Project Definition Risks** On page 17 of Appendix K, FEI states: Please summarize which interfacing Tilbury LNG Expansion project components 13.1 have the most significant impact on the design of the TLSE Project. Response:



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14.2.2

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1	14.0 Ref	erence: P	PROJECT DESCRIPTION
2		E	xhibit B-1-1, Appendix K, p. 17
3		Т	echnical Risks
4	On	page 17 of A	Appendix K, FEI states:
5 6			
7 8 9 10 11			
13			
14 15			
16			
17 18 19			
20 21	14.1		explain, based on FEI's most recent work, whether "what can be built at reasonably" has been determined.
22 23		14.1.1	If yes, please describe what size of tank can be reasonably built.
24	Response:		
25 26		nk can be re the Tilbury	easonably built at site given the resiliency requirements and the space location.
27 28			
29 30 31	14.2		confirm whether a study to identify temporary and continuous emission has been completed.
32		14.2.1	If confirmed, please submit a copy of the study report.

If not confirmed, please explain when this study shall be completed.



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Response:

- 2 The temporary and continuous emissions sources associated with the TLSE Project have been
- 3 identified. As noted in Section 5.3.1.3 of the Application, during normal operations venting is not
- 4 expected to occur; therefore, there would be no continuous emissions as a result of normal
- 5 operations. Temporary emissions sources are limited to vapourizer emissions when they are in-
- 6 service and venting from the TLSE LNG tank during upset conditions and during initial
- 7 commissioning and cool down of the LNG tank.
- 8 A study of detailed emission volumes will be completed as part of the detailed design of the TLSE
- 9 Project.

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14.2.3 Please explain whether an emission source study is required to confirm the size of the tank for the TLSE Project.

14 15 16

Response:

- 17 Continuous and temporary emissions sources have been identified and estimated. An emission source study is not required to confirm the size of the tank as emissions will not vary based on
- 18
- 19 the size of the LNG tank and therefore would not determine the size of the LNG tank that can be
- 20 built on the site.

21 22

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14.3 Please explain whether the TLSE Project will lead to an increase in methane emissions at the Tilbury Site.

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Response:

- 28 There will be no continuous methane emissions as a result of normal operations. The only time
- 29 there is potential for methane emissions is in the unlikely event of a process upset (refer to Section
- 5.3.1.3 of the Application) and during the initial tank commissioning. 30



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1 C. PRICEWATERHOUSE COOPERS ECONOMIC ASSESSMENT

2 15.0 Reference: PRICEWATERHOUSE COOPERS ECONOMIC ASSESSMENT 3 Exhibit B-1-1, Appendix B, pp. 5-6



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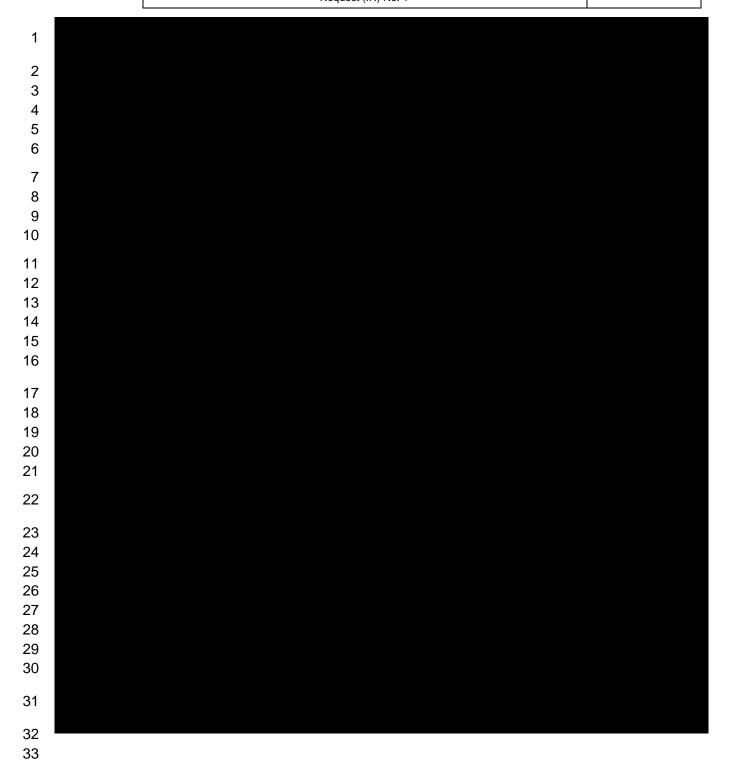
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Page 6 of Appendix B states that the disruption in scenario 2 and 3 was assumed to last for up to 120 days - the maximum anticipated time to restore supply, based on guidance from FEI and their experience from past disruptions.



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15.3 Please provide FEI historical experience of no-flow events where supply had to be restored. Please provide details on the area affected, and the time from a no-flow event to the restoration of supply.



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15.4 If available, please provide examples of disruptions in other jurisdictions, including the size of the area affected, and the time from the beginning of the disruption, to restoration of full supply.

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Response:

- 29 The following response was provided by PwC:
- We have scanned comparable developed countries with similar dependency on natural gas as an energy source, with primary focus on North America and the EU. Three (3) such examples are provided, in addition to the Enbridge T-South rupture example below:



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Enbridge T-South rupture

Date of Incident: Oct 9, 2018

Location: Prince George, BC

Geographic area of disruption: System disruption

Number of Customer affected: ~1 million BC and 750,000 US customers

Nature of Disruption: Some demand met (Gas flows on Southern Crossing approximately doubled after the BC Pipeline rupture)

Duration of Disruption: >120 days (Operations resumed Oct 31, 2018 at reduced capacity, full operations resumed Dec 1, 2019)

Background

On 9 October 2018, a section on Enbridge's T-South natural gas transmission pipeline (BC Pipeline or West Coast system) ruptured. As a result, daily natural gas deliveries to points south of Prince George decreased 90%, from 1 290 million cubic feet (MMcf) on October 8 to 129 MMcf on October 10.

In response, more natural gas flowed along FortisBC Southern Crossing pipeline. Gas flows on Southern Crossing approximately doubled after the BC Pipeline rupture, though these volumes were too small to replace the significant decreases resulting from the rupture. Major outage: BC and US Pacific Northwest

Sources: CER, TSB, Company Websites



TC Canadian Mainline rupture

Date of Incident: Jan 25,2014

Location: Otterbourne, MB

Geographic area of disruption: Community disruption

Number of Customer affected: 9 rural communities in Manitoba

Nature of Disruption: No demand met for 80 hours

Duration of Disruption: >120 days (Eng assessment demonstrated safe operation at reduced pressure in Oct, 2014)

Background

A natural gas pipeline rupture and ignition occurred on TransCanada PipeLines Limited 762 mm (30-inch) Line 400-1 at the site of Mainline Valve 402 near Otterburne, Manitoba. A crater measuring approximately 24 metres long by 12.5 metres wide was created, and debris was ejected approximately 100 metres from the rupture site. Natural gas burned for approximately 12 hours.

Line was shutdown at the time of incident, but as a precaution, two adjacent pipelines, lines 400-2 and 400-3, were shut down, assessed, and returned to service on 26 January 2014. This resulted in the loss of natural gas service to 9 rural communities in Manitoba for approximately 80 hours.

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Baumgarten site explosion & fire

Date of Incident: December 12, 2017

Location: Slovakia, Austria

Geographic area of disruption: System disruption

Number of Customer affected: Sufficient information not available

Nature of Disruption: No international demand met through facility for ~1 day (overall system resiliency mitigated consumer impact)

Duration of Disruption: 119 days (Full facility operation restored Apr

10, 2018)

Background

An explosion and fire that ripped through Austria's main gas pipeline hub killed one person and injured 21 others, prompting Italy to declare a state of emergency as flows from the strategic site were cut off for most of the day.

The Baumgarten site in eastern Austria, near Slovakia, is a major regional transfer node, taking natural gas from as far away as Russia and pumping it towards neighbours including Germany and Italy. Baumgarten's biggest recipient.

The part of the site affected by the fire was 100 metres (330 feet) by 100 metres at a site that covers 17 hectares (42 acres). That part is not used for international pipelines.

Sources: The Guardian, Gas Connect Austria, PHMSA, WSJ

PG&E - San Bruno Pipeline rupture and explosion

Date of Incident: September 9, 2010

Location: San Bruno, California

Geographic area of disruption: Community disruption

Number of Customer affected: Sufficient information not available

Nature of Disruption: Parallel line was used to continue supply of natural gas

Duration of Disruption: >120 days (only 1 of 38 destroyed homes had been rebuilt after 1 1/2 years)

Background

The San Bruno pipeline explosion occured at 6.11 pm PDT, when a 30-inch (76 cm) diameter steel natural gas pipeline owned by Pacific Gas & Electric exploded into flames in the Crestmoor residential neighborhood 2 miles (3.2 km) west of San Francisco International Airport near Skyline Boulevard and San Bruno Avenue

The United States Geological Survey registered the explosion and resulting shock wave as a magnitude 1.1 earthquake. Around 8 people were killed, and 58 injured due to the accident, and >100 homes damaged / destroyed.

During the first 50 hours following the incident, over 500 firefighters and 90 apparatus responded, involving 42 fire agencies

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In these examples, system resiliency resulted in much shorter duration consumer interruption than the associated system interruption as alternate supply mechanisms were able to be

5 leveraged.



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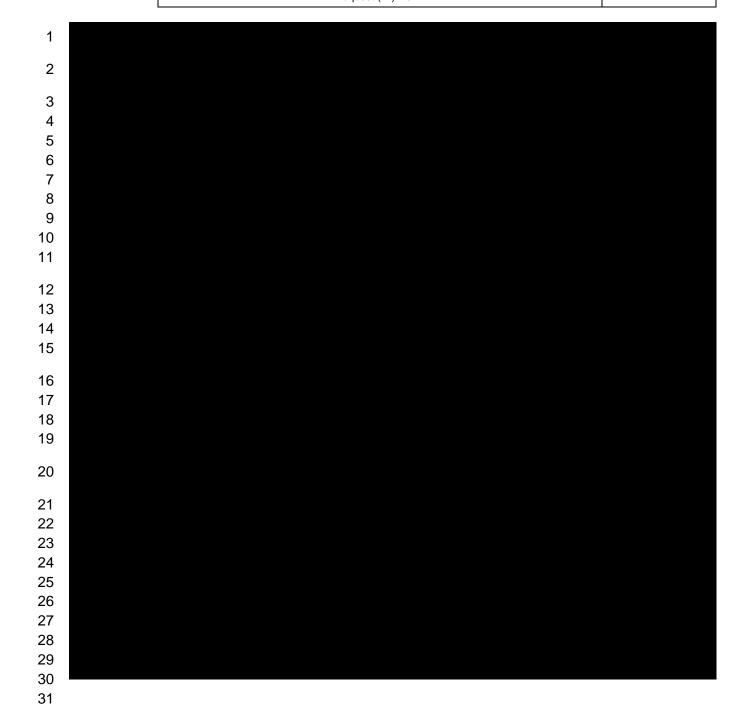
Additional commentary:

- All information sourced from publicly available data which tends to be focused on federal
 jurisdiction natural gas systems (e.g., gas transmission lines), immediate health and safety
 impacts (i.e., injuries and fatalities), as well as incident cause. We found limited publicly
 available information that would specifically characterize and allow quantification of the
 disruption (e.g., nature and duration of disruption, and number of customers affected).
- Natural gas disruption events are unique and their impact is influenced by a wide range of variables both known and unknown, precluding utility in comparison for purposes of impact assessment. Our report provided a list of recent natural gas disruption events for the purpose of highlighting that they do occur, and at a frequency that may not be widely understood.

Example: For illustrative purposes, FEIs Huntingdon facility represents a single connection point to upstream suppliers and in the event of disruption to it, supply of natural gas to hundreds of thousands of customers in BC would be at risk. In contrast, a similar disruption in a more resilient system may have an immaterial or no impact to consumers.



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15.6 For all scenarios, please provide a breakdown of the assumed demand between FEI and non-FEI customers.

Response:

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The following response has been provided by PwC:



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- 1 We would like to note that scenarios were defined, and impacts evaluated, on a provincial level
- 2 (assessment was not constrained to FEI specific systems or customers).
- 3 Impacts may not be constrained to those directly affected by the natural gas disruption as
- 4 economic modelling considers indirect "knock-on" effects across the stakeholder value chain (i.e.,
- 5 customers and suppliers) to reflect the highly inter-related nature of the BC economy.
- 6 An illustrative example of this is:
 - Direct impact: Glass production stops or is substantially curtailed because of inability to heat furnaces without natural gas.
 - Indirect knock on effects:
 - Customers: Downstream customers may be affected province-wide and suffer a loss of economic activity as a result. For example, logistical companies responsible for the shipping, storage and wholesale of glass suffer lost business. Construction companies may face shortages of key supplies like windows and may need to curtail activity, or shift operations to a less efficient model to work around these shortages.
 - Suppliers: Companies supplying inputs to glass producers may also face a loss of demand and therefore economic output. Industry suppliers would include a broad range of companies across the province and may include sand and silica suppliers, electricity and gas utilities, office suppliers, cleaning and catering services, transportation providers and so on.



Attachment 2.1

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Attachment 2.2

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Attachment 9.3

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