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April 8, 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 Energy Inc. (FEI)

Project No. 1598988

Application for a Certificate of Public Convenience and Necessity for the Inland Gas Upgrades Project (the Application)

FEI Reply Submission on Process

FEI writes to provide its reply submission on further process, pursuant to the regulatory timetable established by the British Columbia Utilities Commission (BCUC) in Order G-11-19.

FEI has reviewed the submissions filed by BCOAPO and CEC on April 4, 2019 and provides its responses below on each of the topics identified by the BCUC.

1. Second Round of IRs:

FEI is amenable to a second round of information requests, as supported by the CEC.

In response to BCOAPO's comments on FEI's evidentiary update, FEI would be pleased to respond to information requests on its Evidentiary Update and Errata filed on April 5, 2019 as part of a second round of IRs. As indicated in Exhibit B-7, the scope and nature of the update was to address items noted in FEI's responses to information requests. The only update to the evidence was to the alternatives evaluation for the Salmon Arm 3 Lateral to reflect the feasibility of the PRS alternative, as noted in FEI's response to BCUC IR 1.14.3. As explained in FEI's Evidentiary Update and Errata filed April 5, 2019, this updated evaluation did not change the preferred alternative for this lateral. FEI's Evidentiary Update and Errata otherwise only makes corrections to the Application. The impact of these corrections is that the estimated capital cost of the IGU Project was reduced from \$362.904 million to \$360.193 million. The justification, preferred alternatives, scope, and schedule of the IGU Project has not changed.

2. Filing of Evidence:

BCOAPO indicates that it does not intend to file evidence, and CEC indicates that it does not intend to file evidence at this time.

In response to the CEC's statement that it will pursue the topic of robotic tools in the second round of information requests to avoid the need to lead evidence, FEI believes that it will be able to address the CEC's inquiries on robotic tools such that no evidence will need to be filed by the CEC.

3. Other Processes:

BCOAPO states that it is not able to offer an informed position on the process because it does not know the scope and nature of FEI's evidentiary update, and CEC also prefers to comment after the reviewing the evidentiary update. FEI believes that a second round of information requests will be sufficient to address FEI's Evidentiary Update and Errata filed on April 5, 2019.

In response to the CEC's submissions on the potential for a workshop on robotic technologies, FEI's view is that the topic of robotic technologies does not warrant a separate workshop. Robotic ILI technology is still in its infancy and has not been adopted by any Canadian Energy Pipeline Association operator for a pipeline application similar to the IGU Project. It would not be prudent or consistent with FEI's peer operators for FEI to defer the IGU Project, or portions thereof, until (and if) robotic ILI technology becomes viable. As indicated above, FEI believes it can address the CEC's interest in robotic ILI, and demonstrate that it is not a viable alternative for the IGU Project in the second round of information requests.

In response to the comments of BCOAPO and CEC regarding a workshop generally, if the BCUC considers it appropriate, FEI would be open to holding a workshop after the second round of information requests to provide an additional opportunity to address outstanding topics of interest related to the IGU Project. FEI has included the workshop in its proposed timetable below.

4. Proposed Timeline:

BCOAPO states that it can accommodate filing the proposed second round of information request one week after the evidentiary update is filed. FEI's proposed regulatory schedule includes a date of April 23 for the second round of information requests, which is more than two weeks after the filing of FEI's Evidentiary Update and Errata on April 5, 2019.

In response to the CEC's proposed regulatory schedule, FEI submits the following:

- The CEC's proposed deadline of May 10 to prepare its second round of information requests is not reasonable, as it would be over 6 weeks from the date FEI filed its response to the first round of information requests. FEI submits that its proposed date of April 23 provides a reasonable amount of time to prepare information requests.

- The CEC’s proposal provides FEI with three weeks to respond to information requests. Consistent with FEI’s proposed regulatory process in the Application and its submission on further process in Exhibit B-8, FEI requests four weeks to respond to information requests.
- In the proposed regulatory schedule below, FEI has included a workshop after the second round of information requests should the BCUC consider it appropriate. To avoid the potential need for a procedural conference as proposed by the CEC, FEI suggests that the need for further process could be addressed at the end of the workshop.

Based on the above, FEI proposes the following regulatory schedule:

ACTION	DATE (2019)
BCUC and Intervener IR No. 2	Tuesday, April 23
FEI Response to IR No. 2	Tuesday, May 21
Workshop and Oral Submissions on Further Process	Thursday, June 6
FEI Written Final Submission	Friday, June 21
Intervener Written Final Submission	Friday, July 5
FEI Written Reply Submission	Friday, July 19

Finally, FEI clarifies that its submission in Exhibit B-8 that it “requires” a decision by the end of September should have indicated that it requires a decision by that time *if* FEI is to adhere to its current planned project activities and timeline. While the proposed regulatory schedule will make it unlikely that a decision will be received by the end of September 2019, FEI recognizes that the BCUC’s process needs sufficient time to run its course. FEI will adjust its planned project activities and timeline to accommodate the timing of the BCUC process.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Doug Slater

cc (email only): Registered Parties