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October 22, 2020

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

Attention: Ms. Marija Tresoglavic, Acting Commission Secretary

Dear Ms. Tresoglavic:

**Re: City of Coquitlam (City) Application for Reconsideration and Variance of Order G-80-19 in the matter of the FortisBC Energy Inc. Application for Use of Lands under Sections 32 and 33 of the *Utilities Commission Act* in the City of Coquitlam for the Lower Mainland Intermediate Pressure System Upgrade Projects (Reconsideration Application) ~ Project No. 1599008**

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

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In accordance with BCUC Order G-202-20A setting out the Regulatory Timetable for the review of the above noted Application, FEI respectfully submits the attached response to BCUC IR No. 1.

If further information is required, please contact the undersigned.

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed:***

Diane Roy

Attachments

cc (email only): Registered Parties

FortisBC Energy Inc. (FEI or the Company) City of Coquitlam (City) Application for Reconsideration and Variance of Order G-80-19 for the Lower Mainland Intermediate Pressure System Upgrade Projects (Application) – Cost Allocation	Submission Date: October 22, 2020
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1   **1.0   Reference:   Exhibit C1-9, pp. 2 - 3**

2                                   **Interpretation of Order G-80-19**

3           On pages 2 to 3 of Exhibit C1-9 (FortisBC Energy Inc.'s [FEI] evidence), FEI states:

4                                   At page 151 of its evidence, the City states: “A requirement for a BCUC process  
5                                   to review and approve each request for FEI to remove portions of its  
6                                   decommissioned NPS 20 pipes creates uncertainty around the procedure, timing,  
7                                   and cost of work that the City needs to perform... The City is also concerned  
8                                   about the time required for a BCUC review and decision on such matters.” Does  
9                                   FEI share the City’s understanding of this requirement in Order G-80-19?

10                                  No, FEI has a different understanding of the requirement. FEI sees this part of  
11                                  the order 2 as addressing cost allocation only. FEI does not read paragraph 2 of  
12                                  Order G-80-19 as requiring a further BCUC approval to remove a portion of the  
13                                  decommissioned NPS 20 IP gas line at the City’s request. Although the BCUC  
14                                  always retains jurisdiction in the event of disputes, FEI does not interpret the  
15                                  order as requiring further approval from the BCUC if the parties are in agreement  
16                                  on the removal of the portion of the NPS 20 IP gas line.

17                   1.1   Please confirm, or explain otherwise, that pursuant to directive 2 of Order G-80-  
18                   19 FEI would remove the Nominal Pipe Size (NPS) 20 Pipeline if requested by  
19                   the City of Coquitlam (City).

20  
21   **Response:**

22   Confirmed, provided the request from the City of Coquitlam satisfies the conditions of Directive  
23   2 of Order G-80-19, in particular, the requirement that the portion of the decommissioned NPS  
24   20 IP gas line interferes with municipal infrastructure.

25  
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28                   1.2   With respect to the removal of the NPS 20 Pipeline, please provide examples of  
29                   the nature of disputes that may require further British Columbia Utilities  
30                   Commission (BCUC) intervention.

31

32   **Response:**

33   Examples of disputes that could require further BCUC intervention are if the parties were unable  
34   to agree on which costs were to be shared pursuant to Directive 2 of Order G-80-19, or if the  
35   City’s request was unreasonable (such as the removal scope or method).

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1   **2.0   Reference:   Exhibit C1-9, pp. 3 – 4;**  
2                           **Exhibit B-12, FEI Application for Use of Lands under Sections 32 and**  
3                           **33 of the Utilities Commission Act (UCA) in the City of Coquitlam for**  
4                           **the Lower Mainland Intermediate Pressure System Upgrade Projects**  
5                           **(FEI Use of Lands in Coquitlam), p. 30**  
6                           **Burnaby Terms of Reference**

7           On page 3 of FEI’s evidence, FEI states:

8                           In 2018, FEI entered into an agreement with the City of Burnaby for the LMIPSU  
9                           Project referred to as the “Terms of Reference”. The Terms of Reference were  
10                          the result of collaborative discussions with the City of Burnaby and were intended  
11                          to allow FEI to proceed with construction of the new NPS 30 IP gas line and  
12                          decommissioning of the NPS 20 IP gas line.

13           On page 4 of FEI’s evidence, FEI provides section 2(e) of the Burnaby Terms of  
14           Reference, which states:

15                          If the City [of Burnaby] reasonably determines that the 20 inch gas line must be  
16                          removed to accommodate a municipal project, third party project or utilities, the  
17                          City may by written notice to FortisBC require FortisBC to remove such portion of  
18                          the 20 inch gas line, provided that:

- 19                          i. FortisBC will coordinate the removal of such portion of the 20 inch gas  
20                          line with the City;
- 21                          ii. FortisBC will obtain all applicable approvals and permits required to  
22                          remove such portion of the 20 inch gas line outlined in (i) above; and
- 23                          iii. FortisBC will be responsible for costs of removing and disposing of that  
24                          portion of the 20 inch gas line outlined in (i) above and the City will be  
25                          responsible for the costs of excavation, backfilling and surface  
26                          restoration except to the extent that such costs are greater as a result of  
27                          the removal of the 20 inch gas line than they have would been for the  
28                          excavation, backfilling and surface restoration for the municipal project,  
29                          third party project or utilities.

30           In the FEI Use of Lands in Coquitlam proceeding, on page 30 of Exhibit B-12, FEI  
31           provides a cost estimate for the removal of the NPS 20 Pipeline under Como Lake  
32           Avenue.

33           2.1   Please explain whether the Burnaby Terms of Reference is a standalone  
34           document, and or if it is tied to an operating agreement between the parties.  
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1 **Response:**

2 The Burnaby Terms of Reference is a project-specific agreement that addresses construction  
3 related matters specific to the LMIPSU Project and is supplemental to the existing operating  
4 agreement between FEI and the City of Burnaby dated April 19, 1926.

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6

7

8 2.2 Please briefly discuss the process by which the Burnaby Terms of Reference  
9 were agreed to, including whether the agreement of section 2(e) was subject to  
10 any other conditions being met by either the City of Burnaby or FEI.

11

12 **Response:**

13 The Burnaby Terms of Reference reflect FEI's objective of reaching a negotiated agreement  
14 with the City of Burnaby on mutually acceptable terms that would allow FEI to proceed with the  
15 LMIPSU Project work within the boundaries of the City of Burnaby on schedule and in  
16 accordance with Order C-11-15.

17 The Burnaby Terms of Reference were agreed to by the City of Burnaby and FEI following  
18 discussions that took place over a number of years. They were negotiated as a comprehensive  
19 package to address LMIPSU Project-specific matters including the issuance of approval of  
20 engineering drawings, approval of traffic management plans, and permit processing times. The  
21 Burnaby Terms of Reference also provided certainty for both parties with respect to the  
22 decommissioned NPS 20 IP gas line and conditions under which the City of Burnaby could  
23 require a portion of the gas line to be removed, and the allocation of costs for such removal.

24 During construction of the LMIPSU Project, FEI and the City of Burnaby agreed to substitute  
25 certain work contemplated in the Burnaby Terms of Reference with other work of equivalent  
26 value, and FEI completed this work to the satisfaction of the City of Burnaby. FEI and the City  
27 of Burnaby are continuing to work together to fulfil the parties' remaining respective obligations.

28

29

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31 2.3 In a hypothetical situation where the cost allocation specified in the Burnaby  
32 Terms of Reference was applied to the removal of the NPS 20 Pipeline in the  
33 City, please provide a high level estimate of (i) the percentage of costs, and (ii)  
34 the dollar value of costs, that would be allocated to FEI and to the City.

35

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1 **Response:**

2 The response below provides a cost estimate for the work, and then compares the allocation  
3 outcome of Directive 2 of Order G-80-19, the Burnaby Terms of Reference approach, and the  
4 City's proposal.

5 ***Total Cost of Excavation, Removal and Backfilling***

6 In Section 3 of FEI's Supplemental Evidence on Phase Two issues in the Original Proceeding<sup>1</sup>  
7 (FEI's Supplemental Evidence), FEI provided high level cost estimates for the removal of the  
8 NPS 20 IP gas line. FEI described the complex scope of work associated with the removal of  
9 the NPS 20 IP gas line for the 5.5 kilometre length between Coquitlam Gate Station and North  
10 Road mostly along Como Lake Avenue.

11 In Section 3.3.1 of FEI's Supplemental Evidence, FEI estimated the cost of removing the 5.5  
12 kilometre segment (ungROUTED) of the NPS 20 IP gas line in the City of Coquitlam as \$60.3  
13 million. The approach contemplated under this cost estimate was that FEI would also have to  
14 perform the excavation, backfilling and surface restoration, since there would be no imminent  
15 City project that would have the City performing the excavation, backfilling and surface  
16 restoration in any event. FEI described the main project components involved in executing a  
17 plan to remove the NPS 20 IP gas line as follows:<sup>2</sup>

- 18 • Project management (including stakeholder engagement);
  - 19 • Engineering procurement and construction management (EPCM);
  - 20 • Permits and approvals;
  - 21 • Property and right-of-way impact mitigation;
  - 22 • Construction;
  - 23 • Materials removal and disposal;
  - 24 • Reinstatement and rehabilitation; and
  - 25 • Project close out.
- 26

27 FEI estimates that the cost to remove and dispose of the 5.5 kilometres of NPS 20 IP gas line  
28 once it has been exposed would be approximately \$11 million. This includes:

- 29 • cutting the gas line into approximately 10 metre lengths (550 sections);
- 30 • lift, handle, wrap (coal tar), haul/transport;
- 31 • disposal fee (to approved disposal site);

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<sup>1</sup> Exhibit B-12.

<sup>2</sup> Exhibit B-12, page 22.

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- 1       • traffic control; and
- 2       • City contractor demobilization / mobilization back to the site.

3  
 4 For clarity, the costs of excavation, backfilling and surface restoration are not included in the  
 5 \$11 million estimate to be consistent with the cost allocation specified under the Burnaby Terms  
 6 of Reference as well as the cost allocation specified in Directive 2 of Order G-80-19 and is  
 7 based on the assumption that the City would be performing that work as part of its infrastructure  
 8 project.

9       **Allocation Comparison**

10 The following table provides a comparison of the cost allocation specified in the Burnaby Terms  
 11 of Reference as well as the cost allocation specified in Directive 2 of Order G-80-19 where FEI  
 12 removes the 5.5 kilometres of NPS 20 IP gas line. In addition, the table shows the allocation of  
 13 costs FEI understands to have been sought by the City of Coquitlam in the Original  
 14 Proceeding.<sup>3</sup>

	Burnaby Terms of Reference		Directive 2 of Order G-80-19		City Position in Original Proceeding	
	FEI	City	FEI	City	FEI	City
Gas Line Removal Costs (\$ millions)	11.0	0.0	5.5	5.5	11.0	0.0
Percentage of Gas Line Removal Costs	100	0	50	50	100	0
Other Construction Costs (\$ millions)	0.0	49.3	0.0	49.3	49.3	0.0
Percentage Other Construction Costs	0	100	0	100	100	0
Total Costs (\$ millions)	11.0	49.3	5.5	54.8	60.3	0.0
Percentage of Total Costs	18	82	11	91	100	0

15  
 16 This hypothetical situation assumes that the removal of the 5.5 kilometre segment of the NPS  
 17 20 IP gas line does not result in increased excavation, backfilling and surface restoration costs  
 18 such as might arise if the removal of NPS 20 IP gas line necessitated the excavation of a larger  
 19 or deeper trench in certain locations than would have been required for the City's infrastructure  
 20 project. If that was to occur, applying the Burnaby Terms of Reference, FEI would also be  
 21 responsible for incremental excavation, backfilling and surface restoration costs. Applying

<sup>3</sup> City's Final Argument in Original Proceeding, pp. 22 and 23.

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1 Directive 2 of Order G-80-19, FEI anticipates that these incremental costs would be shared  
2 equally between FEI and the City.

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2.3.1 Please discuss if there are any significant differences in the likely scope  
7 of work related to removing the NPS 20 Pipeline in Burnaby compared  
8 to Coquitlam, specifically with respect to the proportion of overall costs  
9 that would be incurred for excavation, backfilling and surface  
10 restoration.

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**Response:**

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FEI does not anticipate any significant differences in the general activities to remove the NPS  
20 IP gas line (i.e. excavation, backfilling, surface restoration) as the NPS 20 IP gas line is  
21 located along urban corridors in both municipalities. Construction costs per linear metre vary  
22 depending on various site-specific factors such as subsurface conditions and presence of other  
23 utility infrastructure. However, on the whole, the amount of work and costs in Burnaby could be  
24 significantly greater than in Coquitlam because the length of NPS 20 IP gas line in Burnaby is  
25 approximately 10 km as compared to approximately 5.5 km in Coquitlam.

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2.4 Please explain further what is meant by “reasonably determines” in section 2(e).

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**Response:**

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The words “reasonably determines” means that a request from the City of Burnaby will be made  
in good faith, on a logical and sensible basis, taking into account relevant considerations  
including whether, objectively, there is a requirement for removal at that time or at all. Taken in  
its entirety, section 2(e) creates an incentive for the City of Burnaby to act reasonably because  
of the allocation of costs. However, notwithstanding the allocation of costs, the City of Burnaby  
is still obligated to act reasonably in making a request for the removal of a portion of the NPS 20  
IP gas line. FEI is committed to working with the City of Burnaby to assess various options to  
accommodate future projects, including removal of portions of the NPS 20 IP gas line if  
required.

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2.4.1 Would FEI refuse to remove the pipeline if it considered the City of  
Burnaby’s determination that FEI assets must be removed was not



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1 reasonable? Please discuss how any such disagreements may be  
2 resolved.

3  
4 **Response:**

5 Yes. FEI has a long working relationship with the City of Burnaby and is committed to reaching  
6 mutually agreeable solutions. FEI would first seek to resolve the matter by working  
7 collaboratively. However, if the City of Burnaby and FEI were unable to resolve such a dispute,  
8 it could ultimately end up before the BCUC for resolution pursuant to section 32 of the *Utilities*  
9 *Commission Act*.

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1   **3.0   Reference:   Exhibit C1-9, pp. 5 – 6; Appendix B**

2                                   **Union of British Columbia Municipalities (UBCM) Terms and**  
3                                   **Keremeos Terms**

4           On page 5 of FEI’s evidence, FEI provides section 8.2 of the UBCM Terms, which  
5           states:

6                           The Municipality may provide Notice to Terasen Gas that it requires Company  
7                           Facilities to be altered, changed or relocated to accommodate its requirements.  
8                           Terasen Gas will comply with the Municipality’s requests to the extent it is  
9                           reasonably able to do so and with reasonable speed and dispatch after receipt of  
10                          written request. The Municipality agrees to pay for all of the costs for changes to  
11                          the affected Company Facilities.

12           Section 1(e) of the UBCM Terms filed as Appendix B in FEI’s evidence states:

13                          “Company Facilities” means Terasen Gas’ facilities, including pipes, buildings,  
14                          structures, valves, signage, storage facilities, machinery, vehicles and other  
15                          equipment used to maintain, operate, renew, repair, construct and monitor a  
16                          natural Gas Distribution and transmission system

17           Section 1(h) states:

18                          “Gas Distribution” means fixed equipment, structures, plastic and metal lines and  
19                          pipe, valves, fittings, appliances and related facilities used or intended for the  
20                          purpose of conveying, testing, monitoring, distributing, mixing, storing, measuring  
21                          and delivering Gas and making it available for use with the Municipality

22           On page 5 of FEI’s evidence, FEI states:

23                          On January 12, 2006, FEI applied for approval of ten Operating Agreements  
24                          between FEI and municipalities based on the UBCM Terms, which were  
25                          subsequently approved by BCUC Orders C-7-06 through to C-16-06, dated  
26                          August 10, 2006. These orders are included collectively in Appendix B to this  
27                          Evidence. The term regarding cost allocation in each of these agreements was  
28                          the same as that quoted above from the UBCM Terms.

29           On page 5, FEI also states:

30                          On May 27, 2014, FEI applied for approval of a new operating agreement with  
31                          the Village of Keremeos (Keremeos). The terms to the Keremeos Operating  
32                          Agreement (Keremeos Terms) were largely consistent with the UBCM Terms,  
33                          along with changes previously approved by the BCUC in Order G-113-12, which  
34                          addressed FEI’s operating terms for the District of Coldstream. Order G-113-12  
35                          is included as Appendix C to this Evidence. In the Keremeos application, FEI

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1 also requested approval to use the Keremeos Terms as the operating agreement  
2 terms that would become the basis for comparison for future operating  
3 agreement applications.

4 On page 6, FEI provides section 8.2 of the Keremeos Terms, which states:

5 The Municipality may provide Notice to FortisBC that it requires Company  
6 Facilities to be altered, changed or relocated to accommodate its requirements.  
7 FortisBC will comply with the Municipality's requests to the extent it is reasonably  
8 able to do so and with reasonable speed and dispatch after receipt of written  
9 request. The Municipality agrees to pay for all of the costs for changes to the  
10 affected Company Facilities. This section 8.2 is an agreement between the  
11 Municipality and FortisBC for the purpose of section 76(1)(c) of the Oil and Gas  
12 Activities Act.

13 3.1 Please explain in the view of FEI whether the phrase "altered, changed or  
14 relocated" would be applicable to the permanent removal of an asset.

15  
16 **Response:**

17 Yes, under the UBCM Terms and the Keremeos Terms, "altered, changed or relocated" is  
18 applicable to the permanent removal of an asset. The permanent removal of an FEI asset such  
19 as a portion of a gas line may be part of an alteration, change or relocation requested by a  
20 municipality. For example, a municipality may require the removal of a portion of a previously  
21 abandoned gas line to accommodate the municipality's project. In this situation, the current  
22 common practice is that once FEI has confirmed the gas line has been abandoned, the  
23 municipality removes the conflicting portion of the abandoned gas line at the municipality's  
24 expense.

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28 3.2 Please explain, in the view of FEI, whether the phrase "Company Facilities"  
29 would be applicable to decommissioned assets.

30 3.2.1 If not applicable, please whether there is another term in either the  
31 UBCM Terms or Keremeos Terms that is specifically applicable to the  
32 removal of decommissioned infrastructure.

33  
34 **Response:**

35 Yes, "Company Facilities" includes decommissioned assets. Decommissioned assets such as  
36 abandoned gas lines are pipes and are part of FEI's natural gas distribution and transmission  
37 assets. Abandoned gas mains located in municipal public spaces are shown in FEI's

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1 geographical information systems along with live gas mains. Please also refer to the response  
2 to BCUC-FEI IR1 3.1.

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6 3.3 Please discuss whether the cost allocation provision outlined in section 8.2 has  
7 ever been applied with respect to decommissioned assets for those operating  
8 agreements based upon either the UBCM Terms or Keremeos Terms.

9

10 **Response:**

11 Please refer to the response to BCUC-FEI IR1 3.1.

12 The cost allocation provision outlined in section 8.2 has been applied to decommissioned gas  
13 lines in two situations. One scenario is when the removal is part of an alteration, change or  
14 relocation to FEI's assets that is undertaken by FEI at the request of the municipality. The  
15 second scenario is when the municipality encounters an abandoned gas line and, once FEI  
16 confirms the gas line has been abandoned, the municipality removes the conflicting portion of  
17 the abandoned gas line.

18

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21 3.4 Please confirm, or explain otherwise, that section 76(1)(c) of the Oil and Gas  
22 Activities Act is applicable to operational pipelines only (i.e. not decommissioned  
23 pipelines).

24

25 **Response:**

26 In FEI's view, section 76(1)(c) of the *Oil and Gas Activities Act* is not applicable to abandoned  
27 pipelines. However, for clarity, while section 8.2 of the Keremeos Terms is an agreement for  
28 the purpose of section 76(1)(c) of the *Oil and Gas Activities Act*, section 8.2 also continues to  
29 apply to abandoned assets as well.

30

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1 **4.0 Reference: Exhibit C1-9, p. 7**

2 **City of Surrey Operating Agreement**

3 On page 7 of FEI's evidence, FEI states:

4 The City of Surrey Operating Agreement also includes a provision dealing with  
5 cost allocation for underground infrastructure that is abandoned in place.  
6 Abandonment is the subject matter of Section 14. Section 14.2(b) provides as  
7 follows:

8 If the Municipality reasonably determines that Company Facilities left in place  
9 must be removed to accommodate Municipal Projects, Third Party Projects or  
10 Utilities, the Municipality may by written notice to FortisBC require FortisBC to  
11 remove such Company Facilities, provided that: i) FortisBC shall coordinate the  
12 removal of such Company Facilities with the Municipality; ii) FortisBC shall obtain  
13 the applicable approvals and permits under this Agreement; and iii) FortisBC  
14 shall be responsible for the costs of removing and disposing the Company  
15 Facilities, but excluding the costs of excavation, backfilling and surface  
16 restoration.

17 4.1 Please explain further what is meant by “reasonably determines” in section 14 of  
18 the City of Surrey Operating Agreement.

19 **Response:**

20 Please refer to the response to BCUC-FEI IR1 2.4.

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24  
25 4.1.1 Would FEI refuse to remove abandoned underground infrastructure if it  
26 considered the City of Surrey's determination that removal of FEI assets  
27 was not reasonable? Please discuss how any such disagreements may  
28 be resolved.

29 **Response:**

30  
31 Yes, FEI would refuse to remove the infrastructure if it determined that the City of Surrey's  
32 request was not reasonable. Disagreements would be resolved in accordance with the dispute  
33 resolution provisions contained in section 17 of the City of Surrey Operating Agreement.

34

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1   **5.0   Reference:   Exhibit C1-9, p. 8;**  
2                                   **Exhibit B-13, City Response to BCUC IR 9.1.1;**  
3                                   **Order G-80-19**  
4                                   **Third Party Projects**

5           On page 8 of FEI's evidence, FEI states:

6                           What is the general process when the process when a third party encounters FEI  
7                           infrastructure when constructing new infrastructure? A15: Generally speaking,  
8                           the third party follows FEI's permitting process and usually pays FEI's costs. For  
9                           example: • If developer requires a municipal road to be aligned, requiring the gas  
10                          main to be replaced, the developer pays FEI the full cost. • If another utility (e.g.,  
11                          TELUS, Shaw, BC Hydro) performs work requiring relocation of FEI  
12                          infrastructure, FEI charges the other utility for the full cost of the relocation work.

13           Directive 2 of Order G-80-19 states:

14                          Pursuant to section 32 of the UCA, upon request by the City in circumstances  
15                          where it interferes with municipal infrastructure, the costs of removal of any  
16                          portion of the decommissioned NPS 20 Pipeline shall be shared equally between  
17                          FEI and the City.

18           In its response to BCUC IR 9.1.1 in Exhibit B-13, the City states:

19                          The Order [G-80-19] does not mention third-party infrastructure. Orders G-80-19  
20                          and G-75-20 and the reasons for decision do not address whether FEI must  
21                          remove the decommissioned NPS 20 pipes in circumstances where the pipes  
22                          interfere with third party infrastructure projects and, if so, whether the third party  
23                          is to bear any portion of the costs or removal, for example.

24           5.1   Please discuss, in the view of FEI, whether the removal of the NPS 20 Pipeline at  
25                          the request of a third party is relevant to the issues in this Reconsideration  
26                          proceeding. If relevant, please provide examples.

27  
28   **Response:**

29   FEI does not believe that removal of the NPS 20 IP gas line at the request of a third party is  
30   directly relevant to the Reconsideration proceeding, and the issue has not been raised as a  
31   concern by a third party in the Reconsideration. However, FEI does acknowledge that both the  
32   City of Surrey Operating Agreement and the Burnaby Terms of Reference address the removal  
33   of a gas line to accommodate third party projects at the municipality's request.

34

FortisBC Energy Inc. (FEI or the Company) City of Coquitlam (City) Application for Reconsideration and Variance of Order G-80-19 for the Lower Mainland Intermediate Pressure System Upgrade Projects (Application) – Cost Allocation	Submission Date: October 22, 2020
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4           5.2     Please discuss whether in FEI's experience, there are instances where a  
5                    municipality may request relocation/ removal of FEI infrastructure to make space  
6                    for third party projects.

7

8     **Response:**

9     In FEI's experience, where a third party requires FEI to relocate/remove FEI infrastructure to  
10     accommodate a third party project (including requirements imposed by a municipality), the third  
11     party usually approaches FEI directly to request the relocation/removal of FEI's infrastructure  
12     and the third party is typically responsible for the relocation/removal costs. In the case of  
13     relocation of high pressure gas lines, however, there may be circumstances where FEI and the  
14     third party share FEI's costs equally under the *Oil and Gas Activities Act*, S.B.C. 2008, c. 36  
15     (OGAA) and the Pipeline Crossing Regulation, B.C. Reg. 147/2012 (PCR).

16     There could be instances where a municipality requests relocation/removal of FEI infrastructure  
17     to make space for third party projects. In this situation, the third party is typically responsible for  
18     FEI's relocation/removal costs unless, as discussed above, the provisions of OGAA and the  
19     PCR state otherwise. In addition, both the City of Surrey Operating Agreement and the Burnaby  
20     Terms of Reference, contemplate the removal of abandoned gas line to accommodate a third  
21     party project. In those cases, the cost of removal of the conflicting portion of the abandoned  
22     gas line is borne by FEI, excluding the costs of excavation, backfilling and surface restoration.

23     There could be instances where a municipal project requires other utilities to move their  
24     infrastructure, which then triggers a domino effect and the need for FEI to relocate/remove its  
25     infrastructure. In this situation, the municipality may request that FEI relocate/remove its  
26     infrastructure and responsibility for FEI's costs is fact-specific because FEI does not have  
27     operating agreements with third parties.

28

29

30

31                   5.2.1     Please discuss if FEI considers that Order G-80-19 provides for such a  
32                    circumstance with respect to removal of the NPS 20 Pipeline.

33                           5.2.1.1   If Order G-80-19 does not provide for such a circumstance,  
34    please explain how FEI views that costs of removal would be  
35    allocated.

36

37     **Response:**

38     FEI believes Order G-80-19 addresses the situation where the City requests that FEI remove a  
39     portion of the NPS 20 IP gas line in circumstances where it interferes with the City's



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- 1 infrastructure. Order G-80-19 does not address the situation where the decommissioned NPS
- 2 20 IP gas line interferes with a third party infrastructure project. As set out in the response to
- 3 Question 15 in FEI's Reply Evidence (Exhibit C1-9), FEI has a process for handling requests
- 4 from third parties under which the third party usually pays FEI's costs.
- 5