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April 1, 2021
File No.: 240148.00941/15275

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British Columbia Utilities Commission
Suite 410, 900 Howe Street
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Attention: Mr. Patrick Wruck, Commission Secretary

Dear Sirs/Mesdames:

Re: FortisBC Energy Inc. (“FEI”) Application for a Certificate of Public Convenience and Necessity (“CPCN”) for the Pattullo Gas Line Replacement Project - Reply Argument

In accordance with the regulatory timetable in the above proceeding, we enclose for filing the Reply Argument of FEI, dated April 1, 2021.

Request for Confidential Treatment

FEI respectfully requests that the BCUC holds portions of paragraph 10 and paragraph 13 of this Reply Argument confidential pursuant to Section 18 of the BCUC’s Rules of Practice and Procedure, and that the information should remain confidential even after the regulatory process for this Application is completed.

The relevant portions of paragraphs 10 and 13 of this Reply Argument contain information from confidential Exhibit B-1-3 (Appendix J-19) and confidential Exhibit B-12 (FEI Confidential responses to BCUC confidential Information Request No. 2) pertaining to a confidential agreement between FEI and the City of Burnaby. The BCUC has treated this information as confidential in this proceeding and, as previously submitted by FEI, public disclosure of this information could prejudice its negotiating position with other parties, including with other municipalities in relation to other projects.¹

¹ Exhibit B-11, BCUC IR2 40.1; Exhibit B-1-1, Cover Letter.



Should participants in this proceeding require access to the information filed confidentially, FEI has provided an Undertaking of Confidentiality in Appendix B-3, to be executed before confidential information may be released to registered parties under the terms of the undertaking.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

[Original signed by]

Christopher Bystrom*

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British Columbia Utilities Commission

FortisBC Energy Inc.

**Application for a Certificate of Public Convenience and
Necessity for the Pattullo Gas Line Replacement Project**

Reply Argument of

of

FortisBC Energy Inc.

April 1, 2021

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PART ONE: INTRODUCTION

1. As set out in its Application¹ and Final Argument, FortisBC Energy Inc. (“FEI” or “the Company”) is seeking approval from the British Columbia Utilities Commission (“BCUC”) of a Certificate of Public Convenience and Necessity (“CPCN”) for the Pattullo Gas Line Replacement Project (“PGR Project” or “Project”) pursuant to sections 45 and 46 of the *Utilities Commission Act* (“UCA”).

2. The two interveners that filed final arguments in this proceeding recommend that the BCUC grant a CPCN for the Project. British Columbia Old Age Pensioners’ Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens’ Organizations of BC, and the Tenant Resource and Advisory Centre (“BCOAPO”) accepts that, on balance, the Project is in the public interest.² Commercial Energy Consumers Association of BC (“CEC”) states that FEI has provided substantial evidence supporting the need to replace FEI’s gas line affixed to the Pattullo Bridge (“Pattullo Gas Line”) before the bridge is demolished and considers the Project to be necessary and in the public interest.³ Consistent with the submissions of interveners, FEI submits that the Project is in the public interest and that it has justified the approvals sought. The Application should be approved as filed.

3. In the remainder of this Reply Argument, FEI responds to the comments of CEC and BCOAPO, making the following points:

- (a) FEI considered available alternatives in a timely manner, before selecting the most cost-effective route.
- (b) FEI identified a number of potentially feasible overland routes and appropriately engaged with the City of Burnaby leading to the investigation of the Sperling Route.

¹ Exhibit B-1-1 to B-1-4.

² BCOAPO Final Argument, p. 3.

³ CEC Final Argument, paras. 1, 2 and 15.

- (c) FEI has thoroughly investigated and supported the feasibility of the Sperling Route and, therefore, concerns regarding a lack of other alternatives are unfounded.
 - (d) FEI's Class 4 cost estimate, with an improved maturity, was necessary given the Project schedule and is reasonable for this Project.
 - (e) FEI has considered the risk of delay to the Project and has made best efforts to mitigate impacts to the Project schedule.
 - (f) FEI's routing criteria identify the most cost-effective route and need not expressly include a separate cost-effectiveness criteria.
 - (g) FEI's weighting of delivery rate impacts is appropriate.
 - (h) FEI's project life analysis applies the correct methodology and was adjusted to be consistent with other projects.
 - (i) FEI's deferral account amortization period reflects past practice and is appropriate given estimated costs.
 - (j) FEI will provide information to the BCUC through compliance reporting and should not be subject to additional reporting requirements.
 - (k) FEI has provided information regarding future replacement of system resiliency provided by the Pattullo Gas Line.
4. FEI has sought to respond to the intervener submissions in a fulsome manner; however, silence on a particular statement should not be interpreted as agreement.

PART TWO: REPLY TO INTERVENER COMMENTS

A. FEI's Consideration of Alternatives Was Appropriate

5. CEC considers that the Project could have been more robustly developed with more lead time, and recommends that FEI prepare CPCN applications further in advance to avoid the risk of project development risk.⁴ No such recommendation is necessary. First, as the CEC acknowledges, there is no basis in the evidentiary record to conclude that the Project could have been more cost-effectively designed.⁵ Second, FEI undertook a timely and robust alternatives analysis, eliminating a number of infeasible alternatives, before correctly

⁴ CEC Final Argument, para. 5.

⁵ CEC Final Argument, para. 5.

identifying the Sperling Route (Alternative 6D) as the preferred solution.⁶ Beginning in 2017, FEI undertook initial investigations of multiple Project alternatives to identify alternatives that would be feasible from a cost, schedule, stakeholder and technical perspective.⁷ A like-for-like replacement, which involved installing a gas line on the new bridge to be constructed by the Province (“New Bridge”), was found to have the lowest costs, least stakeholder impact and would replace the system capacity and resiliency lost from decommissioning the Pattullo Gas Line.⁸ FEI made numerous attempts to reach an agreement with the Ministry of Transportation and Infrastructure (“MoTI”) until January 2020 while, in parallel, continuing to investigate other alternatives. FEI submits that this approach was appropriate, reflecting its preliminary alternatives analysis, and it would have been difficult to justify the significant study costs required to progress each alternative while a like-for-like replacement remained potentially feasible.

6. Contrary to CEC’s assertions,⁹ schedule risk was not the sole factor leading FEI to conclude any given alternative was infeasible.¹⁰ For example, the various sub-alternatives of Alternative 2 (Trenchless Crossing of the Fraser River), which FEI was focussing on by late 2018, were deemed to be not constructible. Also contrary to the CEC’s assertions,¹¹ there were in fact no other alternatives that FEI could have considered if it had earlier information.¹² Therefore, there were no other options that might have been developed which would have replaced both the capacity and resiliency benefits of the Pattullo Gas Line.

7. Ultimately, this is a unique Project with specific pressures outside of FEI’s control. FEI’s development of the Project and associated alternatives has been thorough and has led to the most cost-effective and feasible alternative being selected.

⁶ FEI Final Argument, pp. 13-26.

⁷ Exhibit B-9, CEC IR1 8.1.

⁸ Exhibit B-9, CEC IR1 8.1.

⁹ CEC Final Argument, para. 61.

¹⁰ Exhibit B-9, CEC IR1 11.1.

¹¹ CEC Final Argument, para. 62.

¹² Exhibit B-9, CEC IR1 8.2.

B. FEI Undertook a Comprehensive Assessment of Overland Routes

8. BCOAPO requests that FEI explain why it did not identify the Sperling Route (Alternative 6D) as part of its initial set of alternatives.¹³ The identification of the Sperling Route was investigated as part of FEI's frequent and meaningful engagement with the City of Burnaby.¹⁴ FEI initially investigated three routes within the boundaries of the City of Burnaby, including Alternatives 6A, 6B and 6C. The Broadway and Gaglardi Way Corridor (Gaglardi Route/Alternative 6A) was the focus of consultation activities beginning in February 2020 and continuing on a weekly basis until July 2020, when the City requested that FEI investigate the Sperling Route.¹⁵

9. The consultation process is intended to solicit feedback from stakeholders that may be outside the FEI's knowledge or consideration. By listening to the feedback received from the City of Burnaby and then investigating the Sperling Route Corridor, FEI obtained the support of a key stakeholder within the area affected by the Project. This should be viewed as an example of meaningful consultation in practice, as contemplated by the BCUC CPCN Guidelines, rather than an area of concern as characterized by BCOAPO. Further, and more importantly for the purposes of this Application, the Sperling Route has been shown to be the most cost-effective route.

C. Concerns Regarding a Lack of Alternatives to the Sperling Route are Unfounded

10. BCOAPO asks whether FEI has identified feasible alternatives to the Sperling Route in the event this alternative is ultimately "non-viable".¹⁶ BCOAPO's concern in this regard is unfounded. If the Sperling Route were not feasible, FEI would need to re-engage with the City of Burnaby regarding the Gaglardi Route which is technically feasible, but is not supported by the City. However, the scenario where the Sperling Route becomes non-viable is entirely hypothetical and unlikely, and therefore, should not be considered by the BCUC. The Sperling Route is in fact feasible. FEI has determined that the Sperling Route is feasible through a

¹³ BCOAPO Final Argument, pp. 4, 10-11.

¹⁴ Exhibit B-1-1, Application, pp. 117-118; Exhibit B-1-2, Appendices J-6, J-18; Exhibit B-1-3, Appendix J-19.

¹⁵ Exhibit B-1-1, Application, p. 117.

¹⁶ BCOAPO Final Argument, pp. 4, 11.

comprehensive analysis of alternatives, incorporating appropriately weighted financial and non-financial criteria.¹⁷ FEI has investigated the estimated costs of the Sperling Route beyond an AACE Class 4 level of definition, including completing substantial preliminary design of major crossings which are required to complete the route.¹⁸ FEI has properly engaged the City of Burnaby as part of the route selection process and obtained the support of the City Council.¹⁹ FEI has signed an agreement with the City of Burnaby, which reinforces the route's feasibility by setting out the terms on which FEI will construct the Project along the Sperling Route,²⁰ [REDACTED]

[REDACTED]²¹ Therefore, the BCUC can be assured that the Sperling Route will remain a "viable" alternative and that FEI will continue to provide safe and reliable service to the areas serviced by the Pattullo Gas Line.

D. FEI's Improved Class 4 Cost Estimate Was Necessary and Reasonable for this Project

11. CEC expresses concern that FEI used a Class 4 estimate to compare alternatives and, similarly, that FEI's use of a Class 4 level of definition for the Project cost estimate could have potentially resulted in "less than optimal decision-making".²² In reply to the CEC, FEI submits that FEI's comparison of alternatives at a Class 4 level of definition and the Project's cost estimate are reasonable for the following reasons:

- (a) The CPCN Guidelines prescribe a minimum Class 4 cost estimate as part of the comparison of the costs, benefits and associated risks of feasible alternatives.²³ This is a distinct requirement from that of the project cost estimate (which are addressed in (b)-(d) below). FEI undertook a Class 5 conceptual cost estimate for

¹⁷ FEI Final Argument, pp. 20-21.

¹⁸ FEI Final Argument, pp. 33-34.

¹⁹ Exhibit B-1-1, Application, p. 117; Exhibit B-1-2, Appendix J-18.

²⁰ Exhibit B-1-1, Application, p. 117; Exhibit B-1-3, Appendix J-19.

²¹ Exhibit B-12, BCUC Confidential IR1 5.1; Exhibit B-1-3, Appendix J-19.

²² CEC Final Argument, paras. 122 and 124.

²³ CPCN Guidelines, p. 4. Online: https://www.bcuc.com/Documents/Guidelines/2015/DOC_25326_G-20-15_BCUC-2015-CPCN-Guidelines.pdf.

Alternatives 6A, 6B and 6C²⁴ and then progressed Alternative 6A (Gaglardi Route) to a Class 4 estimate to facilitate an “apple-to-apples” comparison with the Class 4 cost estimate of Alternative 6D (Sperling Route).²⁵ FEI submits that this approach is consistent with the CPCN Guidelines and that its decision not to progress Alternatives 6B and 6C to a Class 4 cost estimate was appropriate as these alternatives were infeasible (including, in particular, consideration of the non-financial criteria).²⁶

- (b) As acknowledged by CEC,²⁷ FEI has improved the maturity of project definition deliverables beyond the requirements of a typical AACE Class 4 cost estimate.²⁸ These improvements are set out in FEI’s Final Argument and include finalizing the locations of suitable take-off and tie-in, further definition of the project delivery method, the completion of substantial preliminary design of major crossings and the development of the materials specifications and datasheets to a preliminary level.²⁹
- (c) FEI continues to develop progressively more defined cost estimates from AACE Class 3 to Class 2 to Class 1 in conjunction with the progression of engineering from 30 to 60 to 90 percent design completion.³⁰
- (d) FEI’s reliance on a Class 4 cost estimate is sufficiently mature for the purposes of this proceeding.
 - First, the need for the Project is independent of the cost estimate. FEI’s justification is supported by BCOAPO and CEC.³¹

²⁴ Exhibit B-1-1, Application, p. 44.

²⁵ Exhibit B-1-1, Application, p. 49.

²⁶ See Exhibit B-1-1, Application, Table 4-7; see Exhibit B-6, BCUC IR1 12.5.

²⁷ CEC Final Argument, para. 122.

²⁸ Exhibit B-6, BCUC IR1 15.4; Exhibit B-14, CEC IR2 20.1.

²⁹ FEI Final Argument, pp. 33-34; see also Exhibit B-9, CEC IR1 2.1 which describes how a Class 4 cost estimate differs from Class 3.

³⁰ Exhibit B-14, CEC IR2 20.3.

- Second, FEI's analysis of overland alternatives showed that the estimated cost was ultimately not a determinative factor between the Sperling Route and the Gagliardi Route. Both routes received the same financial evaluation score,³² but the Sperling Route was more cost-effective after taking into account non-financial criteria, including the support of the City of Burnaby.³³ This conclusion does not change if the Sperling Route were at the high end of the cost estimate (P90) and the Gagliardi Route at the low end (P10).³⁴
- Finally, while a Class 4 estimate typically has a wider accuracy range than a Class 3 estimate, only prudently incurred costs may be recovered from customers in rates in any case.³⁵

E. Project Cost Assessment Reflects Schedule Risk

12. CEC is satisfied the Project schedule is appropriately developed, but suggests that there is little room for project delay, creating an elevated risk of cost increases.³⁶ FEI has reasonably scheduled the Project and is managing schedule risk.³⁷ FEI has also actively taken steps to advance the Project in advance of receiving a CPCN in order to meet the Province's scheduled demolition of the Pattullo Bridge. For example, in the first quarter of 2021, FEI begun detailed design and procurement of long lead material items. FEI provided a detailed description of work to be completed and materials to be procured prior to the expected CPCN decision by July 2021.³⁸ These steps will enable FEI to commence construction in the third quarter of 2021 after receiving the CPCN.³⁹ FEI continues to consider opportunities to reduce the construction

³¹ CEC Final Argument, para. 26 and BCOAPO Final Argument, pp. 6-7; see also FEI Final Argument, Part 2.

³² Exhibit B-1-1, Application, Table 4-9.

³³ Exhibit B-1-1, Application, Table 4-10.

³⁴ FEI Final Argument, p. 25-26 and Table 2.

³⁵ Exhibit B-1-1, Application, p. 3.

³⁶ CEC Final Argument, para. 140.

³⁷ Exhibit B-1-1, Application, Table 4-3 as reproduced in FEI Final Argument, p. 20.

³⁸ Exhibit B-6, BCUC IR1 14.1.

³⁹ Exhibit B-6, BCUC IR1 15.1.

schedule⁴⁰ and has processes in place for managing risks to the Project, such as schedule delays, as discussed in Part Four, Section E of the Final Submission.⁴¹

13. Further, on December 11, 2020, FEI and the City of Burnaby entered into an agreement which will further support FEI's ability to complete the Project on schedule.⁴² This agreement is in addition to the existing Operating Agreement between FEI and the City. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

F. FEI's Routing Criteria Identify the Most Cost-Effective Route

14. CEC does not dispute that FEI has selected the best available route,⁴⁴ and accepts FEI's statement that cost-effectiveness is implicit in its selection criteria;⁴⁵ however, CEC submits that cost-effectiveness should generally be considered explicitly and could potentially be addressed as a separate item.⁴⁶ The inclusion of cost-effectiveness as a separate item would not change the results of FEI's evaluation and would only be confusing, as the criteria all relate to the cost-effectiveness of a given route.⁴⁷ In effect, the total scores for each route are an indication of a route's cost-effectiveness relative to the other routes under consideration. Therefore, adding another criteria of cost effectiveness is not needed.

⁴⁰ Exhibit B-6, BCUC IR1 10.2.

⁴¹ FEI Final Argument, p. 38; Exhibit B-11, BCUC IR2 34.1 and 34.4.

⁴² Exhibit B-1-1, Application, p. 117; Exhibit B-1-3, Appendix J-19.

⁴³ Exhibit B-12, BCUC Confidential IR1 5.1.

⁴⁴ CEC Final Argument, para. 85.

⁴⁵ CEC Final Argument, para. 76.

⁴⁶ CEC Final Argument, paras. 75 and 76.

⁴⁷ Exhibit B-1-1, Application, p. 62; Exhibit B-14, CEC IR2 22.1, 22.2.

G. FEI’s Weighting of Delivery Rate Impacts is Appropriate

15. CEC considers the weighting of the financial levelized delivery rate impact to be low at ten percent, but states that this was potentially appropriate given the circumstances.⁴⁸ FEI assumes that by “circumstances” CEC is referring to the timeline for the demolition of the Pattullo Bridge, which is beyond FEI’s control. FEI’s chosen weighting is indeed appropriate and has been reviewed and tested to ensure relevant aspects of competing alternatives were captured.⁴⁹ Further, FEI conducted a sensitivity analysis after the scoring of each alternative was complete and the results of this analysis did not change the conclusion that the Sperling Route was the most cost-effective alternative.⁵⁰

H. FEI’s Project Life Analysis Applies the Correct Methodology and is Consistent with Other Projects

16. CEC suggests that FEI should use a consistent methodology when setting the project life analysis period as part of assessing an alternatives’ delivery rate impact.⁵¹ This concern stems from FEI’s adjustment of the analysis period for the financial criteria from 73 years to 68 years as part of the Amended Application. By adjusting the analysis period, FEI has adopted a consistent methodology, aligning with the average service life (“ASL”) of IP pipelines in FEI’s 2017 Depreciation Study. As FEI explained:⁵²

FEI considers that using ASL is more appropriate for the analysis period since ASL does not include the accumulated gains/losses embedded within the depreciation rates that existed at the time of the depreciation study which are unrelated to the prospective future life of the assets of the current Amended Application. Using the ASL is consistent with the basis of the analysis period used in FEI’s recently filed CPCN Applications such as the Okanagan Capacity Upgrade (OCU) Project, Tilbury LNG Storage Expansion (TLSE) Project, and Coastal Transmission System Integrity Management Capabilities (CTS TIMC) Project. [Emphasis added.]

⁴⁸ CEC Final Argument, para. 83.

⁴⁹ Exhibit B-1-1, Application, pp. 44-45; Exhibit B-8, Burnaby IR1 5.1, 5.2, 5.3, 5.4, 5.5; Exhibit B-9, CEC IR1 14.2; Exhibit B-11, BCUC IR2 24.8.

⁵⁰ Exhibit B-11, BCUC IR2 24.8.

⁵¹ CEC Final Argument, para. 132.

⁵² Exhibit B-11, BCUC IR2 24.1 and 24.2.

17. As acknowledged by CEC, the adjusted analysis period did not impact the results of the alternatives analysis,⁵³ and is reasonable and acceptable.⁵⁴

I. FEI's Proposed Deferral Account Amortization Period is Consistent with Past Practice

18. FEI is seeking approval for deferral treatment of the Application and Preliminary Stage Development costs through a new non-rate base deferral account. FEI proposes to transfer the forecast balance of \$2.856 million in the deferral account to rate base on January 1, 2022 and commence amortization over a three-year period.⁵⁵

19. CEC considers FEI's proposed 3-year amortization period to be acceptable, but suggests a one-year amortization to be preferable.⁵⁶ As CEC notes, a one-year period would result in a higher delivery rate impact (as compared to either a three or five year period), but that cumulative financing costs would be lower.⁵⁷ FEI submits that the difference in financing costs is immaterial and, a three-year amortization period is preferable as it is consistent with past treatment of similar costs, including for the Inland Gas Upgrades Project, Muskwa River Crossing Project and Lower Mainland Intermediate Pressure System Upgrade Projects.⁵⁸ While a one-year amortization period would also be reasonable, the approval sought by FEI reflects past practice and is appropriate.⁵⁹

20. BCOAPO recommends that the BCUC capitalize these costs in rate base, so that they are amortized over the service lives of the Project's assets.⁶⁰ This approach would be a departure from past treatment of similar costs for a project of this kind.⁶¹ Further, given the relatively low forecast amount of the deferral account balance, FEI does not consider that the development

⁵³ CEC Final Argument, para. 132; Exhibit B-11, BCUC IR2 24.3.

⁵⁴ CEC Final Argument, para. 133.

⁵⁵ FEI Final Argument, pp. 38-39.

⁵⁶ CEC Final Argument, para. 155.

⁵⁷ CEC Final Argument, para. 154.

⁵⁸ FEI Final Argument, pp. 39-40; Exhibit B-6, BCUC IR1 17.3.2.4.

⁵⁹ FEI Final Argument, p. 39.

⁶⁰ BCOAPO Final Argument, p. 4 and 14-15.

⁶¹ Exhibit B-11, BCUC IR2 37.2.

costs warrant amortizing over the service lives of the Project's assets – a considerably longer period than that proposed in the Application.

J. FEI Will Report to the BCUC

21. BCOAPO asks the BCUC to direct FEI to file certain information as part of its compliance reporting for the Project.⁶² The information identified by BCOAPO already falls within the scope of FEI's proposed compliance reporting for the Project. FEI's proposed draft order includes the following:⁶³

3. FEI must file semi-annual progress reports within 30 days of the end of each semi-annual reporting period, with the first report covering the period ending (Month Day, Year).
4. FEI must file a Material Change Report in the event there is a material change to the PGR Project, explaining the reasons for the material change. FEI is to file the material change report as soon as practicable and in any event within 30 days of the date on which the material change occurs. If the material change occurs within 30 days of the date for filing a semi-annual progress report, FEI may include the material change information in the progress report.
5. FEI must file a Final Report, including a breakdown of the final costs of the PGR Project compared to the cost estimates and provide an explanation and justification for any material cost variances of 10 percent or more. The Final Report must be filed within six months of substantial completion or the in-service date of the PGR Project, whichever is earlier.

22. FEI submits that BCOAPO has not presented any compelling basis to support the need for any additional reporting requirements.

23. Each of the directives proposed by BCOAPO are discussed briefly below.

- (a) **Cost Estimates:** BCOAPO recommends that FEI file an AACE Class 3 cost estimate when completed and that future semi-annual reports use this estimate as the basis for future variance reporting.⁶⁴ FEI intends to develop a Class 3 cost

⁶² BCOAPO Final Argument, p. 4.

⁶³ Exhibit B-1-2, Appendix B-2.

⁶⁴ BCOAPO Final Argument, pp. 13-14.

estimate as part of its practice to progressively define costs as engineering and design completion advances. FEI will be reporting to the BCUC regarding the Project's costs as part of its semi-annual reporting. FEI has committed to provide actual costs incurred to date compared to the control budget, which will be based on a Class 3 cost estimate.⁶⁵

- (b) **Material Changes to Project Routing:** BCOAPO asks FEI to notify the BCUC of material changes to the proposed routing alignment within 30 days of the date on which a material change occurs, rather than at least 90 days before construction is proposed to commence as proposed by FEI.⁶⁶ FEI's draft order includes reporting to the BCUC of material changes within 30 days. Consistent with what was directed by the BCUC for the LMIPSU Project,⁶⁷ FEI has also proposed to apply for approval of material changes to the route "at least 90 days" before construction. Notably, the requirement is to file "at least" 90 days before construction begins. FEI will file any such application with sufficient time for the BCUC to assess the revised Project route. FEI is concerned that imposing a 30-day time period suggested by BCOAPO would adversely impact the scope and quality of information it could provide the BCUC. FEI's approach to material change reporting is not opposed by CEC.⁶⁸
- (c) **Material Changes to the Pattullo Gas Line Decommissioning Date:** BCOAPO recommends that FEI file a material change report where the in-service date or decommissioning date change.⁶⁹ FEI submits that no additional reporting is required as FEI will report on any changes to the decommissioning date as part of regular project reporting and has also proposed to file material change

⁶⁵ Exhibit B-6, BCUC IR1 15.3; Exhibit B-11, BCUC IR2 35.4.

⁶⁶ BCOAPO Final Argument, p. 14.

⁶⁷ Exhibit B-11, BCUC IR2 26.2.2; Decision and Order C-11-15: Application for a Certificate of Public Convenience and Necessity for the Lower Mainland Intermediate Pressure System Upgrade, p. 30. Online: https://www.bcuc.com/Documents/Proceedings/2015/DOC_44883_10-16-2015_FEI-LMIPSU-CPCN-Decision.pdf.

⁶⁸ CEC Final Argument, para. 118.

⁶⁹ BCOAPO Final Argument, p. 14.

reports. FEI has continued to inform the Province that the existing Pattullo Gas Line cannot be taken out of service and decommissioned until a replacement gas line is constructed and commissioned.⁷⁰

- (d) **Environmental and Archeological Impacts and Outcomes of Indigenous Engagement:** BCOAPO recommends that FEI file the identification of moderate to high environmental and archaeological impacts associated with the Project, and information regarding its ongoing Indigenous engagement activities.⁷¹ There is no need for these additional reporting requirements. Consistent with past practice, FEI will provide the BCUC with the categories information identified by BCOAPO as part of its regular reporting requirements. FEI continues to be mindful of its legal obligations, including those prescribed by the *Heritage Conservation Act*, and will actively manage the Project's environmental and archaeological impacts.⁷² The adequacy of consultation will also be assessed by the BC Oil and Gas Commission as part of the permit approval process.⁷³

24. BCOAPO also suggests that FEI should: (a) file a "resiliency plan" as part of its 2022 Long-Term Gas Resource Plan ("LTGRP"); and (b) that it should also address climate change and decarbonization policy considerations in this plan and through future CPCN applications. As discussed below, FEI considers these recommendations to be ambiguous and beyond the scope of this proceeding.

- (a) **Resiliency Plan:** FEI submits that there is no need for the BCOAPO's requested direction for FEI to file a "resiliency plan".⁷⁴ As described in Part Two, Section E of FEI's Final Argument, FEI will be addressing the lost resiliency benefit of the Pattullo Gas Line through a separate CPCN and expects to file further information in its next LTGRP. FEI is also addressing resiliency through other

⁷⁰ Exhibit B-6, BCUC IR1 2.2.

⁷¹ BCOAPO Final Argument, pp. 17-18, 19-20.

⁷² Exhibit B-1-1, Application, pp. 79-81, 105, 108; Exhibit B-11, BCUC IR2 30.2.

⁷³ Exhibit B-11, BCUC IR2 30.1, 30.3.1.

projects, such as the Tilbury LNG Storage Expansion Project currently before the BCUC. It is unclear what exactly BCOAPO's recommended "resiliency plan" would consist of and there is an insufficient evidentiary foundation in this proceeding for the BCUC to make directions on the scope of such a plan. FEI is concerned that such a directive will cause unnecessary confusion and uncertainty with respect to proper compliance and, given FEI's commitment to address the loss of resiliency, serves no clear purpose.

- (b) **Climate Change and Decarbonization:** BCOAPO's recommendation to address climate change and decarbonization policy considerations⁷⁵ is beyond the scope of this proceeding. This proceeding has rightly focussed on the proposed project and there is no evidentiary foundation for the BCOAPO's request. It would therefore be inappropriate for the BCUC to issue such a directive in this proceeding. Even so, FEI remains actively engaged with these issues, as supported by FEI's biomethane program, 30BY30 target and other initiatives canvassed as part of the BCUC's decision FEI's Multi-Year Rate Plan Application.⁷⁶ FEI agrees that the LTGRP is the most appropriate forum in which to discuss these issues.

25. Finally, CEC requests that the BCUC allow interveners to review the Project's Final Report, which FEI submits to the BCUC after the Project is substantially complete and in-service.⁷⁷ FEI considers that its existing project reporting has worked well and does not consider that any changes are necessary with respect to the scope of review. Intervenors can request the Final Report in the context of FEI's Annual Reviews.

⁷⁵ BCOAPO Final Argument, pp. 7-8.

⁷⁶ Online: <https://www.bcuc.com/ApplicationView.aspx?ApplicationId=667>.

⁷⁷ CEC Final Argument, para. 161.

