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April 19, 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)
Project No. 1599129

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

**Response to the British Columbia Utilities Commission (BCUC) Panel
Information Request (IR) No. 2**

On August 31, 2020, FEI filed the Application referenced above. On April 12, 2021, BCUC staff responded by Email with BCUC Panel IR No. 2. FEI respectfully submits the attached response to BCUC Panel IR No. 2.

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) Application for a Certificat of Public Convenience and Necessity for the Pattullo Gas Line Replacement Project (Application)	Submission Date: April 19, 2021
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1 The Province of British Columbia's (BC) April 01, 2021 News Release with respect to the
2 Pattullo Bridge Replacement Project¹ provides a progress update on the project and
3 states:

4 On-site investigative work and permitting processes have taken longer than
5 anticipated due to the complexities of the project and challenges presented by
6 the COVID-19 pandemic. As a result, the construction timeline for the project has
7 been adjusted, moving the bridge opening date from late 2023 into 2024. The
8 project team is reviewing options to mitigate the delay and have the bridge open
9 as early as possible.

10 The Panel Information Requests (IRs) below address how the adjusted construction
11 timeline for the Pattullo Bridge Replacement Project impacts the Pattullo Gas Line
12 Replacement (PGR) Project.

13 **2.0 Reference: PROJECT SCHEDULE**

14 **Province of British Columbia, Pattullo Bridge Replacement Project,**
15 **News Release dated April 01, 2021**

16 **Schedule and cost impact of delay**

17 2.1 Please explain whether the Government of BC's revised construction timeline for
18 the Pattullo Bridge Replacement Project impacts the PGR Project schedule and
19 milestones.

20 2.1.1 If yes, please explain how the PGR Project schedule and milestones
21 are impacted and provide an updated schedule in a format similar to
22 Table 5-10 of the Amended Application.

23 2.1.2 If yes, how does this delay in the Pattullo Bridge Replacement Project
24 affect FEI's timeline for the decommissioning and abandonment of the
25 existing Pattullo Gas Line?

26 2.1.3 If yes, please provide an update on when is the latest FEI requires a
27 CPCN decision from the BCUC for the PGR Project given the revised
28 construction timeline on the Pattullo Bridge Replacement Project.

29 2.1.4 If not, please explain why not.
30

31 **Response:**

32 The Government of BC's revised construction timeline for the Pattullo Bridge Replacement
33 Project has no impact on the PGR Project schedule and milestones. FEI has no additional

¹ Province of British Columbia April 01, 2021 News Release on the Pattullo Bridge Project
(<https://news.gov.bc.ca/releases/2021TRAN0049-000604>)

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1 information with respect to the revised construction timeline beyond that described in the
2 Ministry of Transportation and Infrastructure’s April 1, 2021 news bulletin,² which states:

3 On-site investigative work and permitting processes have taken longer than
4 anticipated due to the complexities of the project and challenges presented by
5 the COVID-19 pandemic. As a result, the construction timeline for the project has
6 been adjusted, moving the bridge opening date from late 2023 into 2024. The
7 project team is reviewing options to mitigate the delay and have the bridge open
8 as early as possible.

9 The news release does not identify a specific opening date for the new bridge, simply referring
10 to an opening date “into 2024”. FEI does not know when the new bridge is expected to be
11 completed in 2024. Further, the news release indicates that the “project team is reviewing
12 options to mitigate the delay and have the bridge open as early as possible”. It appears that the
13 timing of the opening of the new bridge is still subject to change and, given the wording of the
14 news release, could be delayed by only a few months (i.e., into early 2024) or, if the delay can
15 be appropriately mitigated, could proceed as originally scheduled. Based on the information
16 available at this time, FEI has no certainty about the extent of any schedule delay in the opening
17 of the new bridge and, as such, may not have any additional time in which to complete the PGR
18 Project.

19 The Project schedule and contingency was developed in alignment with AACE requirements
20 and, similar to cost estimate development, incorporates uncertainty. The Government of BC’s
21 revised construction timeline increases the certainty of FEI completing the PGR Project to meet
22 the Project schedule, based on current progress. If FEI were to delay or postpone an activity in
23 the PGR Project schedule, the compounding impact would likely reduce that certainty.

24
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27 2.2 Please explain how the changes, if any, to the PGR Project schedule impact the
28 cost estimate.

29 2.2.1 If there is any impact to the cost estimate, please quantify and provide a
30 revised cost estimate, as appropriate. Specify the accuracy range with
31 stated confidence level of the revised cost estimate.

32 2.2.2 If there is no impact to the cost estimate, please explain why not.
33

34 **Response:**

35 A change to the Province’s Pattullo Bridge Replacement Project schedule has no impact to
36 FEI’s PGR Project cost estimate. During the PGR Project planning, the AACE Class 4 cost

² Government of British Columbia, News Release dated April 1, 2021. Online:
<https://news.gov.bc.ca/releases/2021TRAN0049-000604>



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1 estimate was based on current market pricing for services and materials and included the
2 impacts of escalation and risks. Both the engineering and construction estimates (the largest
3 contributors in the cost estimate) were selected using a competitive process and as such reflect
4 the current market conditions for services. In addition, competitive processes will be utilized to
5 source materials. As such, FEI does not expect an impact or reduction in the cost estimate due
6 to any delays associated with the Province’s target completion date.

7
8

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10 2.3 Please discuss whether this or any future delays in the Pattullo Bridge
11 Replacement Project have the potential to alleviate schedule and/or cost
12 pressures facing the PGR Project.

13
14 **Response:**

15 Please refer to the response to BCUC Panel IR2 2.2.

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1 **3.0 Reference: PROJECT ALTERNATIVES**

2 **Province of British Columbia, Pattullo Bridge Replacement Project,**
3 **News Release dated April 01, 2021**

4 **Evaluation of Alternatives**

5 3.1 Please explain whether the adjusted construction timeline for the Pattullo Bridge
6 Replacement Project impacts the feasibility of PGR Project alternatives that were
7 screened out due to schedule constraints.

8
9 **Response:**

10 The adjusted construction timeline for the Pattullo Bridge Replacement Project has no impact on
11 the feasibility of the PGR Project alternatives. As discussed in response to BCUC Panel IR2
12 2.1, FEI has no certainty about the extent of any schedule delay in the opening of the new
13 bridge and may not have any additional time in which to complete the PGR Project. Therefore,
14 FEI's determination that the Sperling Route is the most cost-effective alternative, the only
15 feasible alternative that can be completed within the Project schedule, and the only route
16 supported by the City of Burnaby, remains true.

17 Further, the development of the Sperling Route has progressed significantly such that changing
18 to a different alternative at this point in time would adversely affect both the PGR Project cost
19 and schedule. The impact of revising the alternatives analysis and choosing a different
20 alternative could require up to a year in additional project development time, negating any
21 benefit from a potential delay in the schedule of the Pattullo Bridge Replacement Project.

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25 3.2 Please discuss whether this delay in the Pattullo Bridge Replacement Project
26 affects FEI's assessment of the Gagliardi Route (Alternative 6A) and the Sperling
27 Route (Alternative 6D).

28 3.2.1 If yes, please provide (i) an assessment of the Gagliardi Route and
29 Sperling Route against all evaluation criteria in a format similar to Table
30 4-10 of the Amended Application; and, (ii) explain any changes to
31 weighting between financial and non-financial criteria and score for
32 each criterion.

33 3.2.2 If not, please explain why not.

34

35 **Response:**

36 The delay in the Pattullo Bridge Replacement Project, as described in the news release, has no
37 impact on FEI's assessment of the Sperling Route (Alternative 6D) as the preferred alternative
38 over the Gagliardi Route (Alternative 6A).



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- 1 The scoring provided in Table 4-10 of the Amended Application continues to reflect an
2 appropriate alternatives evaluation, even when taking into consideration a delay in the Pattullo
3 Bridge Replacement Project. As described in Section 4.4.4.4 of the Amended Application, the
4 evaluation criteria between Alternatives 6A and 6D include three non-financial criteria which are
5 Schedule Impacts, Community, Indigenous and Stakeholder Impacts and Environmental and
6 Archaeological Impacts. Table 4-8 provides the evaluation summary of each non-financial
7 criteria with the constraints and conditions known at that time.
- 8 The Schedule Impacts category, which includes the requirement to obtain and coordinate
9 permitting from two municipalities, including the City of Burnaby (who opposes the Gaglardi
10 Route) continues to appropriately represent the significant schedule risk to FEI's ability to plan
11 and execute the Gaglardi Route. The Sperling Route continues to provide the highest level of
12 construction productivity with the fewest utility and road crossings of all overland alternatives
13 evaluated.
- 14 The evaluation on the Community, Indigenous and Stakeholder Impacts, as well as the
15 Environmental and Archaeological Impacts, also remain the same as provided in Table 4-8 of
16 the Amended Application, even when the available information regarding a delay to the Pattullo
17 Bridge Replacement project schedule is taken into account.

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1 **4.0 Reference: PROJECT COSTS**
2 **Exhibit B-6, BCUC IR 15.3; Exhibit B-11**
3 **Class 3 cost estimate**

4 In response to BCUC IR 15.3, FEI states:

5 In accordance with AACE [Association for the Advancement of Cost Engineering]
6 recommended practices, the internal budget will be based on the preferred
7 alternative approved by the BCUC and the Class 3 cost estimate (to be
8 developed by April 2021). This initial basis of Project cost control will continue to
9 be refined as more information, such as firm contract bids, is received.

10 However, due to the stringent Project schedule requirements imposed by the
11 Province (i.e., demolition of the existing Pattullo Bridge in 2023), FEI will be
12 utilizing the Class 4 cost estimate for its CPCN submission to the BCUC, as
13 discussed in detail in Section 1.1 of the Application.

14 4.1 Please confirm, or explain otherwise, that the PGR Project AACE Class 3 cost
15 estimate is now available for the Sperling Route, as the preferred alternative.

16 4.1.1 If confirmed, please (i) provide the Class 3 cost estimate broken down
17 in a format similar to Table 6-1 of the Amended Application; and (ii)
18 specify the expected accuracy range with stated confidence level of the
19 Class 3 cost estimate.

20 4.1.2 If not confirmed, please indicate when the Class 3 cost estimate will be
21 available.

22
23 **Response:**

24 The PGR Project AACE Class 3 cost estimate is not yet available for the Sperling Route. FEI
25 clarifies that it did not expect the Class 3 cost estimate to be completed in April 2021. Rather, in
26 accordance with the Project schedule, FEI expects to receive the Class 3 construction cost
27 estimate from the CMAR contractor and complete the owner's cost estimate by the end of April
28 2021. Once complete, FEI will review the estimate in addition to conducting an independent
29 external review to compare and confirm, among other things, the basis of assumptions,
30 productivity rates and construction staging. Once the review and reconciliation are completed, a
31 risk analysis and quantification will be performed to establish the Project's contingency and
32 accuracy range by the end of May 2021 to establish the Project's Class 3 estimate. FEI will
33 provide the Class 3 estimate as part of its reporting on the Project.

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1 **5.0 Reference: CONSULTATION**

2 **Province of British Columbia, Pattullo Bridge Replacement Project,**
3 **News Release dated April 01, 2021; FEI Final Argument, p. 54**

4 **Consultation impact of delay**

5 On page 54 of its Final Argument, FEI submits that feedback from Indigenous groups
6 regarding the Sperling Route has been limited to date, and so far, FEI has not received
7 any feedback from Indigenous groups indicating their views regarding the proposed
8 pipeline. FEI expects to receive additional feedback as archaeological and
9 environmental overview documents are finalized and shared with these groups in 2021.

10 5.1 Please explain whether the Government of BC's revised construction timeline for
11 the Pattullo Bridge Replacement Project affects FEI's consultation with
12 Indigenous groups regarding the Sperling route.

13 5.1.1 If yes, please explain how much more consultation can FEI reasonably
14 achieve during the delay period.

15 5.1.2 If not, please explain why not.

16

17 **Response:**

18 As explained in the response to BCUC Panel IR2 2.1, the Government of BC's announced delay
19 is not expected to impact FEI's PGR Project schedule or its engagement with Indigenous
20 groups regarding the Sperling Route. FEI acknowledges that a delay by the Government of BC
21 may extend the time period for FEI to engage with Indigenous groups, as FEI intends to engage
22 throughout the Project's design, construction and restoration. Requests from Indigenous groups
23 for mitigations related to impacts of the Project, such as archaeological or environmental
24 impacts, will be incorporated where possible up until Project completion.

25