



Diane Roy
Vice President, Regulatory Affairs

Gas Regulatory Affairs Correspondence
Email: gas.regulatory.affairs@fortisbc.com

Electric Regulatory Affairs Correspondence
Email: electricity.regulatory.affairs@fortisbc.com

FortisBC
16705 Fraser Highway
Surrey, B.C. V4N 0E8
Tel: (604)576-7349
Cell: (604) 908-2790
Fax: (604) 576-7074
www.fortisbc.com

September 16, 2022

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

Attention: Ms. Sara Hardgrave, Acting Commission Secretary

Dear Ms. Hardgrave:

Re: FortisBC Energy Inc. (FEI)

Project No. 1599170

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) Information Request (IR) No. 4 Regarding Exhibit A2-1

On December 29, 2021, FEI filed the Application referenced above. In accordance with the regulatory timetable established in BCUC Order G-223-22 for the review of the Application, FEI respectfully submits the attached response to BCUC IR No. 4 regarding Exhibit A2-1.

Treatment of Confidential Attachment 114.1

Attachment 114.1 provided in the response to BCUC IR4 114.1 is the Agreement between Musqueam Indian Band (Musqueam) and FortisBC Holdings Inc. (FHI). It is being filed confidentially with the BCUC pursuant to Section 19 of the BCUC's Rules of Practice and Procedure regarding confidential documents as set out in Order G-178-22. FEI requests that Attachment 114.1 be kept confidential as it contains commercially sensitive information regarding the nature of Musqueam and FEI and FHI joint understandings and significant information about FHI's unregulated projects.

FHI and its affiliates (including FEI) are also involved in ongoing negotiations with other Indigenous nations on Tilbury projects, and the publication of the Agreement or certain elements of the Agreement would prejudice the companies in those negotiations. Given the sensitive nature of the information, and the fact that much of it relates to third parties (FHI and Musqueam), FEI submits that only the BCUC should have access to Confidential Attachment 114.1.

The version of the Agreement filed with the BCUC as Confidential Attachment 114.1 also has specific limited redactions. FEI confirms that these redacted portions relate exclusively to aspects of FHI's non-regulated projects and Musqueam interests, and do not have any bearing on FEI's TLSE Project. Further, those redactions in sections 2.12(i), 6.3 and 11.4 of the Agreement have been requested by Musqueam as they disclose information regarding internal Musqueam processes.

Finally, FEI has also made two redactions in the body of the response to BCUC IR4 114.3 for information that is commercially sensitive for reasons similar to those set out above, but that Musqueam has agreed FEI can make available to interveners who have active signed Confidential Declarations and Undertakings filed on the record in this proceeding.¹ To be clear, although Tsleil-Waututh Nation (TWN) does not have signed Confidential Declarations and Undertakings filed on the record at this time, FEI submits that TWN should not obtain access to this commercially sensitive information. As noted above, negotiations between FHI and its affiliates (including FEI) and other Indigenous nations, including TWN, regarding Tilbury projects is ongoing. FHI and FEI would be prejudiced if this commercially sensitive information were shared with TWN.

An email from Musqueam regarding its position on confidentiality and the redactions is provided in Appendix A to this letter.²

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

cc (email only): Registered Parties

¹ Registered Interveners who have signed confidential undertakings are BCOAPO (Ex. C4-2), BCSEA (Ex. C2-2), CEC (Ex. C5-2, C5-3, and C5-4), RCIA (Ex. C1-2 and C1-3) and Sentinel Energy (Ex. C6-6).

² Email addresses have been redacted for privacy reasons.

Appendix A

MUSQUEAM EMAIL, DATED SEPTEMBER 15, 2022

Subject: FW: [EXT] FW: [External Email] - Information Request for a Certificate of Public Convenience and Necessity for the Tilbury Liquefied Natural Gas Storage Expansion Project

From: Larissa Grant [REDACTED]
Sent: Thursday, September 15, 2022 4:25 PM
To: Jones, Gareth [REDACTED]
Cc: Noel McDonald [REDACTED]; Tanya Faire [REDACTED]; Christopher Raftis [REDACTED]

Subject: [External Email] - Information Request for a Certificate of Public Convenience and Necessity for the Tilbury Liquefied Natural Gas Storage Expansion Project

CAUTION: This is an external email.
Do not respond, click on links or open attachments unless you recognize the sender.

Gareth,

Thanks for sending over the proposed redactions for the agreement for our comments.

The redactions are acceptable, on the understanding that the redacted agreement is only being provided to the BCUC. Musqueam would be concerned about any other parties seeing the agreement other than the BCUC at any time. We would ask that you also add redactions as outlined in section 2.12(i), section 6.3 in entirety, and the outlined part of section 11.4 which deal with sensitive issues such as how council actions, Musqueam obtaining governmental or taxation authority, and internal use of funds as it could prejudice Musqueam's position on other projects.

However, per your request, it is acceptable from our perspective for interveners other than TWN to be advised confidentially of any costs for FEI as part of your responses to information requests. For clarity with respect to potential royalty costs, Musqueam would like to ensure it is noted, and for the BCUC to know, that Musqueam views the royalty as an unlikely and undesired outcome since Musqueam prefers the equity option.

Sincerely,
Larissa Grant

Sent from my iPhone

This email was sent to you by FortisBC*. The contact information to reach an authorized representative of FortisBC is 16705 Fraser Highway, Surrey, British Columbia, V4N 0E8, Attention: Communications Department. You can unsubscribe from receiving further emails from FortisBC by emailing unsubscribe@fortisbc.com.

*"FortisBC" refers to the FortisBC group of companies which includes FortisBC Holdings. Inc., FortisBC Energy Inc., FortisBC Inc., FortisBC Alternative Energy Services Inc. and Fortis Generation Inc.

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FortisBC Energy Inc. (FEI or the Company) Application for a Certificate of Public Convenience and Necessity (CPCN) for the Tilbury Liquefied Natural Gas (LNG) Storage Expansion (TLSE) Project (Application)	Submission Date: September 16, 2022
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1 **114.0 Reference: AGREEMENT WITH MUSQUEAM INDIAN BAND**
2 **Exhibit A2-1, pp. 2–3 (pdf), Utilities Commission Act, sections 52, 54**
3 **Impacts upon TLSE Project**

4 Pages 2 to 3 (pdf) of Exhibit A2-1 state:

5 FortisBC Holdings Inc. (“FortisBC”) and Musqueam Indian Band (“Musqueam”) are
6 announcing the signing of an agreement, which will result in the parties sharing
7 benefits associated with the Tilbury LNG [Liquefied Natural Gas] Projects
8 (“Projects”). The agreement will see Musqueam and FortisBC working in close
9 collaboration as the Projects are developed, including the Tilbury Marine Jetty. A
10 shared goal of this agreement is to develop a world-leading LNG facility that will
11 result in beneficial outcomes for Musqueam and the region, while improving the
12 overall quality of these Projects. In recent years, Musqueam and FortisBC have
13 worked to develop a mutually beneficial relationship. The Tilbury LNG Projects
14 Agreement is a direct result of this relationship. It includes options, subject to
15 regulatory approvals and certain conditions precedent, for Musqueam to acquire
16 equity ownership in the proposed Projects. This includes the Tilbury LNG Storage
17 Expansion Project and the Tilbury Marine Jetty Project. The equity options
18 recognize the important relationship between FortisBC and Musqueam, and our
19 shared desire to be true partners. [Emphasis added]

20 ...

21 Phase 2 (<https://talkingenergy.ca/project/tilbury-phase-2-lng-expansion-project>)
22 This expansion has two components and serves two functions. The first
23 component is an additional storage tank of up to 142,400 cubic metres to provide
24 a backup energy supply to the Lower Mainland, which strengthens the resilience
25 of our gas system. The second component is additional liquefaction of up to
26 approximately 2.6 MTPA [million tonnes per annum] which will produce LNG to
27 help regional or international customers switch from higher carbon fuels like diesel
28 or coal.

29 Section 52 of the *Utilities Commission Act* (UCA) provides for restraint on disposition.
30 Section 52(1) states:

31 Except for a disposition of its property in the ordinary course of business, a public
32 utility must not, without first obtaining the commission's approval,

- 33 (a) dispose of or encumber the whole or a part of its property,
34 franchises, licences, permits, concessions, privileges or rights, or
35 (b) by any means, direct or indirect, merge, amalgamate or consolidate
36 in whole or in part its property, franchises, licences, permits,
37 concessions, privileges or rights with those of another person.

38 Section 54 of the UCA provides for reviewable interests. Section 54(5) states:

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- 1 A public utility must not, without the approval of the commission,
- 2 (a) issue, sell, purchase or register on its books a transfer of shares in
- 3 the capital of the utility or create, or
- 4 (b) attach to any shares, whether issued or unissued, any special rights
- 5 or restrictions,
- 6 if the issue, sale, purchase or registration or the creation or attachment of the
- 7 special rights or restrictions would
- 8 (c) cause any person to have a reviewable interest,
- 9 (d) increase the percentage of voting shares owned by a person who
- 10 has a reviewable interest,
- 11 (e) be a registration of a transfer of shares, the acquisition of which was
- 12 contrary to subsection (7) or (8), or
- 13 (f) increase the voting rights attached to any shares owned by a
- 14 person who has a reviewable interest.

15 114.1 Please file a copy of the agreement between FortisBC Holdings Inc. and

16 Musqueam Indian Band (Agreement), in confidence with the British Columbia

17 Utilities Commission (BCUC) as necessary.

18

19 **Response:**

20 A redacted copy of the Agreement is being filed confidentially with the BCUC only, due to its

21 commercial sensitivity, including the confidential nature of Musqueam and FortisBC joint

22 understandings, and the fact that it contains a significant amount of information about FortisBC

23 Holdings Inc.'s unregulated projects. FEI and FortisBC Holdings Inc. are also involved in ongoing

24 negotiations with other Indigenous Nations on Tilbury projects, and the publication of the

25 Agreement or certain elements of the Agreement would prejudice the companies in those

26 negotiations. FEI confirms that the limited redactions in the version filed confidentially with the

27 BCUC relate exclusively to FortisBC Holdings Inc.'s non-regulated projects, and have no bearing

28 on the TLSE Project. Further, those redactions in sections 2.12(i), 6.3 and 11.4 of the Agreement

29 have been requested by Musqueam as they disclose information regarding internal Musqueam

30 processes.

31 For clarity, the Agreement itself is not transferring any ownership or interest in the TLSE Project

32 and thus does not trigger BCUC approval requirements. The Agreement contemplates that

33 Musqueam equity ownership could be an outcome of the collaboration with Musqueam, but it is

34 not a certainty at this time and would ultimately be contingent on BCUC approval (see section 2.4

35 of the Agreement). Please refer to the response to BCUC IR4 114.6.1 for further details.

36 In the context of this TLSE CPCN Application, the Agreement is significant in that it aligns the

37 goals of FortisBC Holdings Inc. and its affiliates (including FEI) with Musqueam in the furtherance

38 of meaningful dialogue, mutual growth, and the sustainable development of energy projects which

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1 also respect Musqueam’s rights under section 35 of the *Constitution Act, 1982*. As noted by the
2 BCUC in the Indigenous Utilities Inquiry Final Report:¹

3 The concept of reconciliation implies the development of meaningful relationships
4 with Indigenous peoples and the creation of common goals. [...] Acknowledging
5 that reconciliation is a process of change through building a lasting relationship,
6 the Panel recognizes that it will take more than merely revising policies or
7 processes. It requires on-going engagement and change to develop, in
8 collaboration with Indigenous representatives, a strategy to go forward.

9 The Agreement demonstrates the value of meaningful engagement undertaken in close
10 collaboration and the spirit of reconciliation for customers of a regulated utility.

11

12

13

14 114.2 Please discuss if the “Tilbury LNG Projects” covered by the Agreement includes
15 the Tilbury Liquefied Natural Gas Storage Expansion (TLSE) Project.

16

17 **Response:**

18 Confirmed. The TLSE Project is included in the Agreement as the “Phase 2 Storage Project”.

19

20

21

22 114.2.1 Please provide a detailed overview of the potential ownership structure of
23 the TLSE Project following the Agreement, including the percentage of
24 each entity’s equity ownership.

25

26 **Response:**

27 As explained in the response to BCUC IR4 114.1, the Agreement contemplates that Musqueam
28 equity ownership could be an outcome, but it is not a certainty. Corresponding partnership
29 agreements have yet to be developed, and as such, FEI can only provide a general outline
30 consistent with the principles in section 2.12 of the Agreement.

31 At a high level, FEI and Musqueam expect (see section 2.12 of the Agreement) that the
32 Musqueam equity ownership would be achieved through a Fortis Tilbury Limited Partner (FTLP)
33 structure similar to Mt. Hayes whereby FTLP owns the asset, leases it to FEI with earnings that
34 replicate FEI earnings, and FEI operates the asset. This ownership model allows for the shared

¹ Indigenous Utilities Inquiry Final Report, p. 16. Online:
<https://www.ordersdecisions.bcuc.com/bcuc/decisions/en/item/470256/index.do>.

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1 ownership of the specific asset, while leaving FEI customers in the same financial position that
2 they would be in if FEI still owned the asset. As the BCUC noted with respect to Mt. Hayes:²

3 The Application provides benefit to the First Nations with only a minor CCA timing
4 impact on FEVI ratepayers. Otherwise, ratepayers will be unaffected by the
5 Application's proposal. As such, the operations of the Mt. Hayes Facility will
6 continue unchanged and the services provided to FEVI's ratepayers will not be
7 impacted. Further, the various transfer and transaction structuring shall only occur
8 if either of the First Nations chooses to participate; the proposals in this Application
9 avoid unnecessary actions. The Commission Panel is satisfied that FEVI has taken
10 adequate steps to insulate the ratepayers from transaction risk during the
11 operation and ultimate reacquisition of full ownership of the Mt. Hayes Facility.

12 Musqueam's exercise of its option to acquire an equity ownership interest in the TLSE Project will
13 be rate-neutral, as has been the case with the Mt Hayes Facility.

14
15

16

17 114.2.1.1 Please discuss whether each of the owners of the TLSE
18 Project would be a public utility.

19

20 **Response:**

21 As explained in the response to BCUC IR4 114.2.1, if Musqueam acquires an equity ownership
22 interest in relation to the TLSE Project, it would be through an FTLP ownership arrangement (per
23 section 2.12 of the Agreement). The FTLP itself would be a regulated public utility in respect of
24 the TLSE Project, which is a regulated project. In turn, the FTLP would be owned by FEI and a
25 Musqueam entity. Therefore, the Musqueam entity would not be a public utility, and instead, would
26 be a part owner of a public utility. FEI would remain the operator of the asset on a day-to-day
27 basis.

28 This is essentially the model used for Mt. Hayes LP. In that case, FortisBC Energy (Vancouver
29 Island) Inc. (now FEI) created a limited partnership, Mt. Hayes LP, in order to enable the
30 Chemainus Indian Band (now Stz'uminus First Nation) and the Cowichan Tribes to acquire an
31 ownership interest in the Mt. Hayes LNG storage facility, up to a collective maximum of 15 percent.
32 Mt. Hayes LP is a regulated utility partnership, as would be FTLP. The general partner of the Mt.
33 Hayes LP is Mt. Hayes (GP), which is owned and controlled by FEI. Mt. Hayes LP acquired a
34 beneficial ownership in the Mt. Hayes facility, with legal title of the land remaining in the name of
35 FEI. Similarly, if Musqueam exercises its option to acquire an equity interest in FTLP, FEI would

² Order and Reasons for Decision G-109-11A, dated July 7, 2011. Online:
https://docs.bcuc.com/Documents/Arguments/2011/DOC_28022_G-109-11A_FEVI_MtHayes-LNG-Sale-to-First-Nations-Reasons-WEB.pdf.



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1 transfer beneficial ownership of the TLSE Project to FTLP. FEI would then lease and acquire the
2 right to operate the TLSE Project, as it does the Mt. Hayes facility.

3 Moreover, like Mt. Hayes, any new intercompany transactions including loans, interest and rent
4 and related tax payments between FTLP and FEI would be treated as non-utility transactions,
5 thus not impacting customer rates.

6 FEI reiterates that in order for this ownership model to be adopted for the TLSE Project, BCUC
7 approval would first be required.

8
9

10

11 114.3 Please explain whether FortisBC Energy Inc. (FEI) considers the implementation
12 of the Agreement is expected to result in any additional costs, or cost savings, with
13 respect to the TLSE Project.

14 114.3.1 If so, please provide details, including cost estimates. Please also outline
15 how these costs would flow through to ratepayers, including rate impacts.

16

17 **Response:**

18 A portion of this response is redacted and is being filed on a confidential basis, pursuant to Section
19 19 of the BCUC’s Rules of Practice and Procedure regarding confidential documents as set out
20 in Order G-178-22, as it contains commercially sensitive information. FEI and FortisBC Holdings
21 Inc. are also involved in ongoing negotiations with other Indigenous Nations on Tilbury projects,
22 and the publication of the Agreement or certain elements of the Agreement would prejudice the
23 companies in those negotiations.

24 As explained in the response to BCUC IR4 114.2.1, if the option to acquire an equity ownership
25 interest in the TLSE Project is exercised by Musqueam and approved by the BCUC, the impact
26 to ratepayers will be neutral – as is the case for Mt. Hayes LP. Alternatively, if Musqueam provides
27 consent for the regulated projects and the TLSE Project is built, but Musqueam does not, or is
28 unable to, elect the equity option for the TLSE Project, FEI would be required to make an annual
29 royalty payment of [REDACTED]

[REDACTED] understanding has been
31 and remains that Musqueam favours acquiring an equity ownership interest in the TLSE Project,
32 as affirmed by Musqueam in the email dated September 15, 2022, which is attached to the cover
33 letter to these response, and states: “...Musqueam views the royalty as an unlikely and undesired
34 outcome since Musqueam prefers the equity option.

35 Any further costs associated with the Agreement are nominal, [REDACTED]

[REDACTED]
[REDACTED]. Given the

38 scope of the Agreement relates to multiple projects, both regulated and non-regulated, only a



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1 portion of these nominal costs will ultimately be associated with the TLSE Project. FEI will abide
2 by the BCUC-approved Transfer Pricing Policy and Code of Conduct.

3 The Agreement also sets out joint obligations associated with the ongoing environmental
4 assessment processes and future permits including stewardship, environmental, cultural and
5 fisheries work. These obligations and related project costs would be incurred regardless of the
6 Agreement; the collaborative processes are expected to reduce costs rather than result in
7 incremental costs to FEI customers.

8 Finally, the Agreement formalizes a close collaboration between FortisBC Holdings Inc., its
9 affiliates (including FEI) and Musqueam with respect to the Tilbury facilities – which Musqueam
10 has affirmed falls within in its core territory.³ From FEI’s perspective, it stands to reason that
11 greater cooperation and a strong relationship with the Musqueam can only help to facilitate project
12 development and permitting, but FEI has not attempted to quantify any efficiency benefits *per se*.
13 More importantly, FEI believes that this type of agreement should not be considered simply
14 through the narrow perspective of cost efficiencies in execution and operation. Agreements with
15 Indigenous nations that advance reconciliation are increasingly important in order to proceed with
16 a development at all. In particular, the process for obtaining Musqueam’s support and consent
17 contemplated in the Agreement (see section 6) provides considerable project certainty and is the
18 result of the collective intent of the parties to work together to develop the Tilbury facilities.

19

20

21

22 114.4 Please explain whether any of the financial analysis (including net present value,
23 depreciation and revenue requirement) in the Application would change as a result
24 of the execution of the options under the Agreement.

25

26 **Response:**

27 The financial analysis presented in the Application would be unchanged as a result of the
28 execution of the options under the Agreement, as the expected ownership model is designed to
29 be rate neutral. Please refer to the response to BCUC IR4 114.3.

30

31

32

33 114.5 Please discuss whether FEI considers that the implementation of the Agreement
34 could result in any changes in the operations of the TLSE Project once
35 constructed.

36

³ Exhibit C8-1.

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1 **Response:**

2 Implementation of the Agreement will not result in any changes in the operation of the TLSE
3 Project. Moreover, as explained in the response to BCUC IR4 114.2.1, if the equity option is
4 exercised by Musqueam and approved by the BCUC, FEI would continue to operate the TLSE
5 Project, much like it does today with Mt. Hayes.

6

7

8

9 114.6 Please discuss whether “subject to regulatory approvals,” as outlined in the
10 preamble, includes approvals required by the BCUC.

11

12 **Response:**

13 Confirmed. Reference to “subject to regulatory approvals” in the preamble includes any approvals
14 from the BCUC. The BCUC approvals include those sought through this CPCN Application. They
15 also include those approvals under the *Utilities Commission Act* (UCA) related to the structuring
16 of a new limited partnership and the transfer of the TLSE Project to the limited partnership should
17 Musqueam elect to exercise the equity option.

18

19

20

21 114.6.1 Please discuss whether FEI considers approvals under section 52 or 54
22 or any other relevant sections of the UCA will be necessary in future as
23 a result of executing the Agreement.

24

25 **Response:**

26 For clarity, approvals under the *Utilities Commission Act* (UCA) will not be necessary simply as a
27 result of executing the Agreement itself. The Agreement is a framework for obtaining
28 Musqueam’s support and consent for the development, construction and operation of certain
29 projects at the Tilbury site.

30 BCUC approval will become necessary only after certain conditions are fulfilled by Musqueam
31 and it exercises its option to acquire an equity ownership position in BCUC regulated assets. FEI
32 will file an application for approval with the BCUC if and when such approvals become necessary.
33 It is likely that the approvals sought will be under sections 52 and 54 of the UCA, similar to the
34 application related to the Mt. Hayes facility, but FEI will assess the specific approvals further at
35 that time.

36

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1 **115.0 Reference: AGREEMENT WITH MUSQUEAM INDIAN BAND**

2 **Exhibit A2-1, p. 3 (pdf)**

3 **Consultation**

4 Page 3 (pdf)of Exhibit A2-1 states:

5 This agreement is in addition to the project mitigations that have been or will be
6 implemented as part of the Tilbury LNG Projects' regulatory processes. Musqueam
7 will continue to work with FortisBC and regulators to ensure Musqueam's interests
8 are addressed.

9 115.1 Please provide details regarding any project mitigations applicable to the TLSE
10 Project and relevant to Musqueam's interests.

11
12 **Response:**

13 Project mitigations applicable to the TLSE Project will primarily be developed through the
14 Environmental Assessment (EA) process for the Tilbury Phase 2 LNG Expansion Project. At this
15 stage in that process, project mitigations applicable to the TLSE Project have yet to be
16 established. While work has begun to identify construction and operating effects mitigations (i.e.,
17 erosion control, invasive species monitoring and control plans), the mitigation of any potential
18 significant environmental effects has not yet commenced as this forms part of the Effects
19 Assessment stage of the EA process. FEI does not expect this the Effects Assessment stage of
20 the EA process to begin until the end of 2023.

21 The Musqueam (and all participating Indigenous Nations) have begun to receive information
22 which will enable them to begin to identify any potential effects on their rights and interests.

23

24

25

26 115.2 Please discuss whether the FEI considers its consultation activities with
27 Musqueam regarding the TLSE Project are concluded, or whether further
28 consultation activities are planned.

29
30 **Response:**

31 No, consultation activities with Musqueam remain ongoing. The Agreement contemplates
32 Musqueam and FortisBC Holdings Inc. and its affiliates working collaboratively and efficiently to
33 undertake consultation activities throughout the various approval and permitting processes.

34 For clarity, FortisBC Holdings Inc. and FEI will continue to undertake consultation and
35 engagement activities with Musqueam and other Indigenous nations in an effective and efficient



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1 manner throughout the lifecycle of the Project. Please refer to the response to TWN IR3 1.2 and
2 FEI's Rebuttal Evidence to TWN.⁴

3
4

5
6 115.3 Please discuss whether FEI has included information regarding the Agreement in
7 its consultation and engagement activities with Indigenous groups and the public.

8
9 **Response:**

10 No. Information regarding the Agreement was first disclosed to the public on August 10, 2022
11 through the news release filed as Exhibit A2-1. Prior to that, FEI has included reference to the
12 Agreement in the redacted response to CEC IR3 119.1, filed on July 14, 2022, but the information
13 had to be kept confidential until FortisBC Holdings Inc. and Musqueam had assessed and agreed
14 on an appropriate level of public disclosure and process, including Musqueam's communication
15 with its community. In light of the August 10, 2020 release, there is no longer any need for the
16 redacted portion of the response to CEC IR3 119.1 to remain confidential. Concurrent with these
17 IR responses, FEI is filing the redacted portion of the response to CEC IR3 119.1 publicly for the
18 record of this proceeding. For ease of reference, the redacted portion of that response is provided
19 below:

20 Musqueam Indian Band (Musqueam) is also undertaking an Indigenous-led
21 Assessment for the Phase 2 LNG Expansion Project. Moreover, in June 2022,
22 FortisBC Holdings Inc. and Musqueam reached an agreement that will allow for
23 collaboration and partnership between Musqueam and FortisBC related to the
24 BCUC-regulated and non-BCUC regulated projects at Tilbury Island. While the
25 specific details of the agreement are confidential, the agreement includes, among
26 other things, options for Musqueam to acquire equity ownership in the forward
27 regulated projects including the TLSE Project, subject to applicable regulatory
28 approvals (which would include BCUC approval) and other conditions. This
29 agreement is in addition to the project mitigations that have been or will be
30 implemented as part of regulatory processes.

31 While the Agreement is and may be a discussion point in ongoing engagement activities with
32 Indigenous nations and the public, the scope of information discussed will be limited to the news
33 release. Due to the commercial sensitivity of the Agreement, its contents will generally remain
34 confidential. The news release provides a full explanation of the significance of the Agreement,
35 including its focus on fostering a close and collaborative relationship between the parties, and the
36 given the commercial sensitivity, provides ample information for the purposes of engagement with
37 Indigenous nations and the public.

⁴ Exhibit B-44, Rebuttal Evidence to TWN, p. 18 (A9).

Attachment 114.1

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