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September 25, 2015

**Via Email**  
**Original via Mail**

British Columbia Public Interest Advocacy Centre  
Suite 208 – 1090 West Pender Street  
Vancouver, B.C. V6E 2N7

Attention: Ms. Tannis Braithwaite, Executive Director

Dear Ms. Braithwaite:

**Re: FortisBC Inc. (FBC)**

**Application for a Certificate of Public Convenience and Necessity (CPCN) for the Kootenay Operations Centre (the Application)**

**Response to the British Columbia Public Interest Advocacy Centre representing the 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 *et al.* (BCOAPO) Information Request (IR) No. 1**

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On July 9, 2015, FBC filed the Application referenced above. In accordance with the British Columbia Utilities Commission Order G-124-15 setting out the Regulatory Timetable for the review of the Application, FBC respectfully submits the attached response to BCOAPO IR No. 1.

If further information is required, please contact the undersigned.

Sincerely,

**FORTISBC INC.**

***Original signed by: Ilva Bevacqua***

**For:** Diane Roy

Attachments

cc: Commission Secretary  
Registered Parties (e-mail only)



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1    **1    Reference:    Exhibit B-1, pages 9, 79 and 83**

2            1.1    Are there any one-time costs associated with the construction and preparation of  
3            the new Operations Centre and/or relocation of staff and equipment that will not  
4            be capitalized but rather expensed as OM&A? If so, please indicate what these  
5            costs are, in what years they will be incurred and generally what activities they  
6            are for.

7  
8    **Response:**

9    There are no one-time costs associated with the construction and preparation of the new KOC  
10    and/or relocation of staff and equipment that will be expensed as OM&A.

11  
12

13  
14            1.2    Please confirm that the capital cost quoted (\$20.651 M) includes not just the  
15            construction cost for the new facility but also the capitalized costs of the  
16            land/property required; the complete refurbishing of the new centre; and the  
17            relocation of inventory, equipment and staff. If not, what are the additional capital  
18            costs associated with these items?

19  
20    **Response:**

21    Confirmed. The capital cost of \$20.651 million includes the construction of the building and the  
22    cost of the land, furnishings for the centre, equipment, and relocation costs of equipment from  
23    existing sites to the new KOC facility.

24

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1    **2    Reference:    Exhibit B-1, pages 24, 29 and 41.**

2            2.1    Please identify the groups/functions that will remain at the Warfield complex after  
3            the project is completed.

4  
5    **Response:**

6    Upon completion of the proposed KOC Project, the groups/functions remaining at the Warfield  
7    Complex site will include:

- 8            • Network Services  
9            • Engineering  
10           • Environmental  
11           • Occupational Health & Safety  
12           • Warehousing  
13           • Fleet Services

14  
15  
16  
17           2.2    Was any assessment made as to the advantages/disadvantages of relocating  
18           these groups/functions to the more centralized new KOC?

19  
20    **Response:**

21    Please refer to the responses to BCUC IRs 1.8.1 and 1.8.7 regarding the opportunities for the  
22    consolidation of the Network Services groups from Castlegar District Office to the KOC. As the  
23    majority of the work for the remaining groups relates to supporting overall FBC operations, a  
24    determination was made that these groups should not be relocated at this time. Going forward,  
25    FBC will continue to assess similar opportunities, such as the possibility of consolidation of the  
26    Network Services Group from the Warfield Complex or other remaining support groups, for  
27    future facility and operational efficiencies.

28  
29  
30  
31           2.2.1    If yes, what please provide the assessment supporting why they should  
32           remain at Warfield.



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1

2 **Response:**

3 Please refer to the response to BCOAPO IR 1.2.2.

4

5

6

7 2.2.2 If not, why not?

8

9 **Response:**

10 Please refer to the response to BCOAPO IR 1.2.2.

11

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1     **3       Reference:   Exhibit B-1, pages 27, 44 and 56**

2                             **Exhibit A-4, Question #8.3**

3       **Preamble:**     The discussion on pages 44 and 56 suggests that relocation to KOC will  
4                             be considered as an option/alternative when the Castlegar District Office  
5                             reaches its end-of-life.

6       3.1     If specific provision was made in the size/design of the new KOC such that it  
7                             could be considered as an option/alternative when the Castlegar District office  
8                             reaches end-of-life, did this have any impact on the overall \$20.651 M capital  
9                             cost of the project and, if so, what was it?

10

11     **Response:**

12     The capital cost of the KOC Project includes approximately \$3 thousand for two toilets to  
13     accommodate future occupancy loads. Please also refer to the response to BCUC IR 1.8.3.3.

14



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1   **4       Reference:   Exhibit B-1, pages 40-41**

2                               **Exhibit A-4, Question #14**

3           4.1    Please address the questions posed in BCUC Staff #14 with regard to the  
4                   existing SCC and BCC facilities.   In responding, please provide a non-  
5                   confidential response that includes as much detail as possible, supplemented by  
6                   a confidential response as required to provide a fulsome response.

7  
8    **Response:**

9    Please refer to the responses to BCUC IRs 1.14.1, 1.14.2, 1.14.3, 1.14.3.1 and 1.14.3.2 which  
10   include information by facility.   Specific information related to the SCC and BCC has been  
11   provided in the response to BCUC Confidential IRs 1.5.1 and 1.2.1.

12

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1    **5    Reference:    Exhibit B-1, pages 57 and 58**

2            5.1    Please explain the source/basis of the \$150,000 in Net Generation Recoveries  
3                    per Table 5-1.

4  
5    **Response:**

6    The \$150,000 figure for Net Generation Recoveries reflects the expected facility maintenance  
7    operating dollars that will be recovered annually under the allocation of Generation overhead  
8    costs. The recovery is determined by allocating the overall KOC operating costs to each  
9    department based on space usage in the building. A component of the costs attributed to  
10    Generation is then recovered from Third Party Customers on the basis of productive hours  
11    worked at each facility.

12  
13

14

15            5.2    Are there any annual O&M savings from the elimination of the Generation  
16                    Facilities (i.e., the Generation Administration Office and Warehouse) at South  
17                    Slocan?

18

19    **Response:**

20    Please refer to the response to BCUC IR 1.11.1.

21

22

23

24                    5.2.1    If yes, please revise Table 5.2 accordingly.

25

26    **Response:**

27    Please refer to the response to BCUC IR 1.11.1.

28

29

30

31                    5.2.2    If not, why not?

32



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1 **Response:**

2 Please refer to the response to BCUC IR 1.11.1.

3

4

5

6 5.3 Is there any impact on annual O&M expenses due to the relocation and  
7 construction of new SCC and BCC facilities? If so, what is the overall annual  
8 impact?

9

10 **Response:**

11 The forecast annual increase to O&M expense for costs related to the SCC and BCC  
12 components is approximately \$66 thousand. This forecast represents third-party charges for  
13 services such as insurance, mechanical and building maintenance, garbage, janitorial and  
14 security.

15 Please also refer to the response to BCUC IR 1.1.3.

16

17

18

19 5.4 Is there any impact on staff travel time or vehicle costs as a result of relocating  
20 pole and trailer storage from the Castlegar District Office to the new KOC? If  
21 yes, what is the annual impact on O&M?

22

23 **Response:**

24 Due to yard space constraints, the pole and trailer storage for the Castlegar District Office is  
25 currently located at the FBC South Slocan Generation Site. Relocation of the pole and trailer  
26 storage to the KOC will place it closer to the Castlegar District Office, which is expected to result  
27 in an overall reduction of staff travel time.

28 Pole installations are a capital expenditure and therefore the relocation will result in no impact  
29 on O&M. Any potential capital expenditure savings that would apply to work completed in the  
30 Castlegar area would be approximately \$100-\$135 per trip. The potential savings will vary by  
31 year depending on the number of trips and the work locations.

32