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August 9, 2007

Mr. Robert J. Pellatt, Secretary  
British Columbia Utilities Commission  
Sixth Floor, 900 Howe Street, Box 250  
Vancouver, BC, V6Z 2N3  
BY WEBPOSTING

Dear Sir:

Re: **BCUC Review of 'Customer Complaints re FortisBC Naramata Substation Project'; BCUC Project No. 3698458**

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Attached please find the final argument by the Naramatians Against Fortis Substation (As Proposed) in this proceeding.

Yours truly,

William J. Andrews



Barrister & Solicitor

cc. Distribution List by Webposting, email

**In the matter of the *Utilities Commission Act*, RSBC 1996, c.473**

**and**

**British Columbia Utilities Commission,  
Project No. 3698458, Order G-42-07**

**BCUC Review of  
'Customer Complaints re FortisBC Naramata Substation Project'**

**FINAL WRITTEN ARGUMENT**

**on behalf of**

**Naramatians Against Fortis Substation (As Proposed)**

**August 9, 2007**

## Introduction

1. This is the final written argument of the intervenor Naramatians Against Fortis Substation (As Proposed) [“NAFS”] in the British Columbia Utilities Commission’s hearing pursuant to Order G-42-07 regarding ‘Customer Complaints re FortisBC Naramata Substation Project.’
2. NAFS is an ad hoc organization of Naramata residents and property owners formed in response to FortisBC’s May 2006 disclosure that it intended to construct a new substation at the Arawana Road site. A transcribed list of some 132 people who signed NAFS petitions opposed to the Arawana Road site is attached to the Opening Statement of NAFS’ chairperson June Stewart.<sup>1</sup>

## Chronology and argument

3. On May 15, 2006, unbeknownst to NAFS members until later, FortisBC wrote to the Commission<sup>2</sup> stating that FortisBC would use a 10 MVA transformer for the new Naramata substation (instead of a 20 MVA transformer), saving \$200,000. FortisBC said that the “10 MVA [transformer] is capable of meeting the 10.4 MVA ultimate station loading for the Naramata area.” FortisBC also confirms that “The Company forecast area load to reach 10.4 MVA within its long term planning horizon.”
4. The previous paragraph may seem like an odd point with which to begin the chronology. However, the significant point is that FortisBC assured the Commission that a 10 MVA transformer would be capable of meeting the “ultimate station loading” for the Company’s “long term planning horizon.” From that perspective, it would not matter whether the transformer was at the Fire Hall site or the Arawana Road site. If and when demand increases beyond the capacity of a 10 MVA transformer at some time beyond the current “long term planning horizon,” both the Fire Hall site and the Arawana Road site are large enough to have a 20 MVA transformer and still have room for the mobile transformer. This contradicts FortisBC’s main argument that the Arawana Road option should be chosen over the Fire Hall option due to ‘long term room for expansion.’

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<sup>1</sup> Exhibit C2-14.

<sup>2</sup> Exhibit B-2, Appendix A.

5. Property owners along the ‘direct cross country’ transmission line route first learned of FortisBC’s Arawana Road substation intentions in May 2006, when FortisBC representatives inquired about purchasing a transmission line right of way. Members of the community nearby the Arawana Road substation site first learned that FortisBC has some plans for Arawana Road on May 23, 2006, when FortisBC handed out door-to-door a leaflet about a June 1, 2006 public meeting “to discuss electrical reinforcement plans for the Arawana Road area of Naramata.”
6. By the time of the June 1, 2006 public meeting, NAFS members had learned that FortisBC had already purchased the Arawana Road site and had obtained a non-farm use permit for it from the Agricultural Land Commission (ALC). After that it became known that before settling on the Arawana Road site FortisBC had previously examined a number of other substation site options in Naramata and rejected them either for technical reasons or due to opposition from local neighbours.<sup>3</sup>
7. Public sentiment at the June 1, 2006 public meeting was overwhelmingly opposed to the Arawana Road site. NAFS presented FortisBC with a petition of residents opposed “to FortisBC erecting a Power Station on the proposed location in the Arawana Road Area.”<sup>4</sup> FortisBC told people that the Arawana Road site was a “done deal.”<sup>5</sup> People expressed anger that they had not been notified that the Arawana Road site was under consideration before a final decision was made.
8. It is not entirely clear what FortisBC said publicly at the meeting about its current intentions concerning the route for the transmission line/distribution line to the Arawana Road substation, i.e., ‘direct cross-country’ or ‘via Arawana Road.’
9. Outside of the June 1 2006 meeting, Mr. Andrew, one of the property owners on the ‘direct cross-country’ route, was told by a FortisBC representative that FortisBC had chosen against the ‘direct cross-country’ route<sup>6</sup>. However, FortisBC later characterized the meeting as, *inter alia*, seeking input on the TL/DL route, implying that it had not made a TL/DL route decision. Many people at the June 1, 2006 public meeting asked why the Fire Hall site had

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<sup>3</sup> See *Sites Evaluated for Naramata Substation Project* (map), Exhibit B-2, Appendix A, p.20.

<sup>4</sup> Exhibit C2-6, p.65, *et seq.*

<sup>5</sup> Exhibit C2-6, p.72.

not been considered. One of the main upshots of the meeting was that FortisBC agreed to examine the Fire Hall site.

10. In June 2006, NAFS members became aware that FortisBC had submitted a rezoning application for the Arawana Road site. They wrote to the Regional District of Okanagan Similkameen (RDOS) expressing concern and opposition.
11. For example, Ms. Anne Reid, a property owner and resident immediately adjacent to the Arawana Road site, wrote on June 30, 2006 to the RDOS.<sup>7</sup> Ms. Reid had seen a backhoe on the subject property as early as July 11, 2005, and had been trying ever since to find out what, if anything, was going on. She had been assured by the RDOS that nothing showed on their records and that in any event she would receive notice before land was taken out of the Agricultural Land Reserve (ALR).<sup>8</sup>
12. Letters were written and opposition to the Arawana Road site mounted.<sup>9</sup>
13. In June 2006, FortisBC distributed a form letter<sup>10</sup> to attendees of the June 1, 2006 public meeting.
14. On June 29, 2006, FortisBC held a field trip to the proposed Arawana Road substation site.
15. A FortisBC “Project Backgrounder” distributed at the June 1, 2006 public meeting contains the following statement of site selection criteria:<sup>11</sup>

Successful site criteria considered include land availability (land is either currently for sale or the owner shows a willingness to see, and/or eligible for removal from the Agricultural Land Reserve), station constructability, number of directly impacted residents or landowners in the immediate area, cost, engineering requirements including proximity to existing transmission and distribution systems.

16. Notably, FortisBC did not include the TL/DL<sup>12</sup> requirements of the Arawana Road site when it evaluated the “land availability” criterion for the Arawana Road site. Nor did FortisBC

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<sup>6</sup> Exhibit C2-6, p.24.

<sup>7</sup> Exhibit C2-6, p.72.

<sup>8</sup> The Arawana Road site is in the ALR.

<sup>9</sup> Exhibit C2-6.

<sup>10</sup> Exhibit B-2, Appendix A, p.25.

<sup>11</sup> Exhibit B-2, Appendix A, p.29.

<sup>12</sup> Transmission line/distribution line.

give the Arawana Road site a negative rating on the ‘proximity to existing transmission and distribution systems’ criterion.

17. By letter of July 13, 2006, the Commission asked FortisBC to provide a status report on the Naramata substation project, in response to stakeholders’ requests that the Commission undertake a public review of the project.<sup>13</sup>
18. In response, FortisBC provided to the Commission and the Complainants a Naramata Substation Project Status Report<sup>14</sup> on July 21, 2006. Among other things, the Report summarizes the site selection process to date, defends the Arawana Road site choice, criticizes the Fire Hall on the basis of “visibility” and “size restriction,” and indicates that FortisBC is “investigating a direct cross-country line route” and has “considered” a transmission line route along Arawana Road.<sup>15</sup>
19. On July 28, 2006, the Commission asked FortisBC to respond to an Information Request.
20. On August 11, 2006, NAFS held a public demonstration at the Arawana Road site, highlighting public opposition to FortisBC’s plan. Photos are at Exhibit C2-6, pp.17-19.
21. Although opponents of the Arawana Road site wanted FortisBC to consider or reconsider *all* feasible alternative substation sites, FortisBC restricted its examination to the Fire Hall site and the Arawana Road site.
22. By letter of August 11, 2006, the Commission responded to three Complainants.<sup>16</sup> The Commission explained that the Naramata substation project does not require a Certificate of Public Convenience and Necessity (CPCN) under the *Utilities Commission Act* due to the legal effect of Commission Order No. G-52-05.<sup>17</sup> However, the Commission acknowledged the Complainants’ request for public review and indicated that it would “determine what other action it should take, if any, after it has received” FortisBC’s responses to the Commission’s Information Request.

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<sup>13</sup> Exhibit B-2, Appendix A, p.3.

<sup>14</sup> Exhibit B-2, Appendix A.

<sup>15</sup> Exhibit B-2, Appendix A, p.7.

<sup>16</sup> Exhibit B-2, Appendix B.

<sup>17</sup> Not an issue in this proceeding.

23. On the same date, August 11, 2006, FortisBC filed with the Commission its responses<sup>18</sup> to the Commission's July 28, 2006 Information Request. Notably, the responses state that the Fire Hall site is "under investigation" and that "FortisBC will provide an update on this option by September 15, 2006." The responses state that:<sup>19</sup>

...Although at first glance [the Fire Site] appears to be an ideal substation location, the Ministry of Transportation indicated that their land disposal process can take up to three years and did not guarantee that a sale offer would be accepted. The site is also not as large as preferred...

Recently FortisBC has been informed by the Naramata representative to Regional District of Okanagan Similkameen ("RDOS") that he is willing to support an application to purchase or lease the land near the Fire Hall.

FortisBC is currently determining whether a substation can be reasonably constructed on that site, and a portion of the land is already leased by the Ministry of Transportation to RDOS. However, if the station can be physically constructed on that site, a public consultation process and application to the Ministry of Transportation will be activated. It is not known whether the support of the RDOS representative, of RDOS itself or of other individuals or organizations, if forthcoming, would be sufficient to expedite the review by the Ministry of Transportation of an application. ...

24. The August 11, 2006 FortisBC IR responses also state, regarding the Arawana Road site:<sup>20</sup>

The substation design includes a single transformer with provision for a mobile transformer. This basic configuration will be adequate for the planning horizon and no future expansion is presently envisaged.

25. It is notable that FortisBC states that no future expansion beyond the planning horizon (twenty years) "is presently envisaged" because FortisBC's Final Argument argues that room for future expansion beyond the 20-year planning horizon is the key point on which the Arawana Road site is better than the Fire Hall site.

26. The August 11, 2006 FortisBC IR responses also state, regarding the Fire Hall site:<sup>21</sup>

It is possible that a compressed station footprint could be constructed on the Fire Hall site that would also allow the installation at that location. An engineering investigation is underway and estimated costs will be available no later than September 15, 2006.

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<sup>18</sup> Exhibit B-2, Appendix C.

<sup>19</sup> Exhibit B-2, Appendix C, A1.1, p.3, underline added.

<sup>20</sup> Exhibit B-2, Appendix C, A2.2, p.6, underline added.

<sup>21</sup> Exhibit B-2, Appendix C, A4.4, p.12, underline added.

27. Regarding the Arawana Road site, the August 11, 2006 FortisBC IR responses describe two basic transmission line routes (to connect the existing 45 Line on Naramata Road to the new substation): one following Arawana Road, the other a “direct cross-country” route.<sup>22</sup>

FortisBC describes the direct route as “greenfield,” a term normally used to describe construction of a new facility on previously unused land. In contrast to later assertions that expropriation of a right of way for the direct cross-country is not expected to be required, in the August 11, 2006 responses FortisBC states:<sup>23</sup>

It is likely that expropriation of land rights for the transmission circuit may be required.

28. The Commission asked FortisBC to elaborate on its earlier statement that the direct cross-country route has engineering, aesthetic and cost advantages over the Arawana Road route. FortisBC responds:

(a) The direct cross-country route has engineering advantages because it is simpler to make a straight new transmission/distribution across land that has few existing utilities than to add a transmission/distribution line to a crooked roadway (Arawana Road) that already has numerous utilities.<sup>24</sup>

(b) The aesthetics of a TL/DL on the direct cross-country route are “improved due to the straight alignment.”<sup>25</sup>

(c) The Arawana Road route has “potential land issues in obtaining easements.”<sup>26</sup>

(d) FortisBC does not address the suggested cost advantage of the Arawana Road route.

29. FortisBC states the following regarding its view of the difference between expropriating land for a TL/DL on the direct cross-country route compared to expropriation of land for the substation itself:<sup>27</sup>

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<sup>22</sup> Exhibit B-2, Appendix C, A5.1, p.12-13.

<sup>23</sup> Exhibit B-2, Appendix C, A5.1, p.13.

<sup>24</sup> While this may be true in principle as an engineering matter, as a matter of transmission and distribution line planning it is contrary to the principle of maximum utilization of common utility corridors.

<sup>25</sup> That is what it says.

<sup>26</sup> The response does not explain why obtaining easements for pole placement and guy-line anchoring on the Arawana Road route would involve more “potential land issues” than expropriating a 10 metre wide right of way for the direct cross-country route.

Right of way expropriation for the 63 kV line from 45 Line to the Gibbard site would only require a statutory right of way (“SR/W”) to be acquired, and would still allow the present and existing land use (agriculture) to continue with minimal impact (pole and anchor installation) to that use.

Expropriation of additional land adjacent to the existing site would require a fee-simple land purchase with full use (100% impact) and change from agricultural/residential to light industrial use.

30. NAFS says that this is an entirely incorrect characterization of the nature of the properties that would be affected by expropriation of a right of way for the direct cross-country route. The impact of the proposed overhead TL/DL line on the Andrew, Wright and Thompson properties would vastly exceed the impact on a purely pecuniary agricultural basis.
31. FortisBC’s August 11, 2006 responses state that its has made a rezoning application to the RDOS for the Arawana Road substation site, and that the application has been referred to the Naramata Advisory Planning Committee (APC) for an August 15, 2006 meeting<sup>28</sup> (apparently postponed to October 2006).
32. On September 15, 2006, FortisBC wrote to the Commission, providing further responses<sup>29</sup> to the Commission’s July information requests. Notably, FortisBC takes a new position on the Fire Hall site: a conditional willingness to use the Fire Hall site. FortisBC states:<sup>30</sup>

Based on the information contained in the attached responses, FortisBC considers that the previously unavailable Fire Hall site is a feasible location for the new substation, and that costs of constructing the substation at this site are likely to be close to the lower range of estimates for the Gibbard site. The Company is willing, subject to confirmation of the cost and timing of the property acquisition, permitting and approvals, and further stakeholder consultation, to construct the substation at that location. While these processes will commence soon, it is premature to assume a favourable outcome to them.

33. FortisBC states the following about its anticipated process going forward:<sup>31</sup>

FortisBC expects to proceed in the following manner. If an offer to purchase is made by MoT that meets the project requirements, one or more public meetings

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<sup>27</sup> Exhibit B-2, Appendix C, A.3.4, p.9, underline and double underline added.

<sup>28</sup> Exhibit B-2, Appendix C, A5.4, p.14.

<sup>29</sup> Exhibit B-2, Appendix D.

<sup>30</sup> Exhibit B-2, Appendix D, p.1, underline added.

<sup>31</sup> Exhibit B-2, Appendix D, p.1, underline added. To clarify, FortisBC did not obtain an offer to purchase the Fire Hall site, though it did later obtain a positive response from MOTH to the concept of a sale of the Fire Hall site.

will be held, with all residents of Naramata invited. Information will include the two potential sites and graphic renderings of the alternatives.

34. FortisBC's September 15, 2006 letter also states:<sup>32</sup>

If the public feedback is generally supportive of the Fire Hall location, a zoning application will be made to the regional district to have the zoning changed from the current AG (agricultural<sup>33</sup>) to industrial. If successful, FortisBC will change the location of the project to the Fire Hall site. If public feedback indicates strong opposition, and mitigation of the concerns does not seem possible or reasonable, FortisBC will then review each potential location and determine the most suitable course of action.

35. The IR responses attached to FortisBC's September 15, 2006 letter states the following about the Fire Hall site:<sup>34</sup>

The [Fire Hall] site in question is slightly smaller in size than is preferable for both operations and access. However, as described in the update to response A2.1 below, it is feasible to construct a substation on the [Fire Hall] site without compromising significant safety or operational requirements. ...

... However, if the site is made available in a reasonable period of time and at a reasonable cost, this will become the preferred site. ...

36. The September 15, 2006 IR responses state:<sup>35</sup>

An engineering review of the site was undertaken to determine if the Fire Hall site was suitable. The review has revealed that the site is indeed acceptable for construction purposes. There are some issues that arise out of the use of this site, which include: Site Access. ... A natural gas line. ... The future upgrade of the retaining wall. ...

37. Along similar lines, the FortisBC September 15, 2006 IR responses state:<sup>36</sup>

As stated in the updated response to A2.1, this site has been evaluated. The results indicate that the [Fire Hall] site is acceptable to construct a fully operational substation, complete with facilities to accommodate the mobile substation.

38. The point about the Fire Hall site being fully acceptable to accommodate the mobile substation is notable. At the July 24, 2007 oral hearing one of the FortisBC's witnesses said that if *two* 10 MVA transformers were put in the substation at the Fire Hall site there would be no room for the mobile substation. Unfortunately, it was not clarified that if one 20 MVA

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<sup>32</sup> Exhibit B-2, Appendix D, p.2.

<sup>33</sup> To clarify, the Fire Hall site is zoned AG but is not in the ALR.

<sup>34</sup> Exhibit B-2, Appendix D, A1.1, p.1, underline added.

<sup>35</sup> Exhibit B-2, Appendix D, A2.1, p.2, underline added.

<sup>36</sup> Exhibit B-2, Appendix D, A4.4, p.4, underline added.

transformer was put in the substation at the Fire Hall site (when additional capacity is required beyond the 20-year planning horizon) there would still be room for the mobile substation. More on this point below.

39. The FortisBC September 15, 2006 IR responses also note<sup>37</sup> that civil construction would be more expensive at the Fire Hall site than at the Arawana Road site, but that transmission line costs would be lower at the Fire Hall site than at the Arawana Road site because “the transmission source of 45L is in immediate proximity [to the Fire Hall site], thereby eliminating the need for extension of any of these circuits.
40. The FortisBC September 15, 2006 IR responses continue:<sup>38</sup>

As with the other sites that have been investigated and in some cases proposed, the installation of a substation on this site will be the subject of public consultation. At this point it is not clear whether this [Fire Hall] site will be considered by the larger community as acceptable.

41. The first sentence in the quote above is curious, in that there was no public consultation on the Arawana Road site before it was selected.<sup>39</sup> In any event, it was certainly clear by September 15, 2006 that the Arawana Road site was not considered by the larger community as acceptable.
42. Further, regarding public consultation prior to selection of the Fire Site, FortisBC states:<sup>40</sup>
- The site will also require a zoning application to be submitted to the Regional District of Okanagan Similkameen. The property is currently excluded from the Agricultural Land Reserve.<sup>41</sup>
43. FortisBC also provided cost estimates for the Arawana Road site<sup>42</sup> and the Fire Hall site. FortisBC noted that the were remaining uncertainties and concluded:<sup>43</sup>

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<sup>37</sup> Exhibit B-2, Appendix D, A4.4, p.4.

<sup>38</sup> Exhibit B-2, Appendix D, A4.4, p.4.

<sup>39</sup> The June 1, 2006 public meeting was held *after* the Arawana Road site had been selected, purchased, and in receipt of a non-farm use permit from the ALC.

<sup>40</sup> Exhibit B-2, Appendix D, A4.4, p.4, underline added.

<sup>41</sup> To clarify, the Fire Hall site is not in the ALR. The phrase ‘excluded from the ALR’ is often understood to refer to land that the ALC chose to remove from the ALR upon application: there is no evidence that that was the case with the Fire Hall site.

<sup>42</sup> The Arawana Road site is also referred to as the “Gibbard” site.

<sup>43</sup> Exhibit B-2, Appendix D, A6.1, p.7, underline added.

In total, although the cost of acquiring the Fire Hall site is not yet known, the estimated project cost is expected to be at the lower end of the estimated range for the Gibbard site. If the property acquisition, re-zoning and permitting, and public consultation processes produce favourable results, FortisBC will select the Fire Hall site for construction of the new substation.

44. On October 11, 2006, the RDOS Area 'E' Advisory Planning Commission met. The Minutes state:<sup>44</sup>

Mr. Funk [representing FortisBC] reviewed the proposed substation on the Fire Hall site. Fortis to hold a broad community meeting for the residents of Naramata the first week of November 2006. Mr. Funk advised that technically the Fire Hall site works and the Ministry of Transportation have given their approval.

The APC recommends to the RDOS Board that the subject development application be approved subject to the following conditions: following the Fortis BC public meeting concerning the Fire Hall site (alternate site), move forward with the current Arawana site (subject property) development application in the event that the alternate property is not acceptable to the broader community, and/or where the integrity of public safety is compromised. In the event that the alternate property is more acceptable to the broader community, move forward with a new application for the alternate site.

CARRIED

45. Certain points should be emphasized about these Minutes.
- (a) It is important to note that the APC had before it a rezoning application for the Arawana Road site (which the minutes refer to as "subject property"), not for the Fire Hall site (which the minutes refer to as the "alternate site"). By normal rules of procedure, the APC had to express its recommendations primarily in terms of the subject property rezoning application that was before it.
  - (b) It should also be noted that the APC only makes recommendations (to the RDOS board); the APC does not make rezoning decisions. This is important because later FortisBC talks about the APC having provided rezoning approval.
  - (c) Despite the fact that the "subject property" was the Arawana Road site, the presentation by FortisBC was focused on the Fire Hall site. This is entirely consistent with FortisBC's ongoing examination of the Fire Hall site as an alternative to the universally unpopular Arawana Road site.

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<sup>44</sup> Exhibit B-5, NAFS A1.3; NAFS Appendix A1.20.2, pdf p.149

- (d) The primary piece of information that FortisBC provided to the APC, and that was pivotal in the APC's recommendation, was that FortisBC intended to hold a "broad community meeting for the residents of Naramata" in the first week of November 2006.
- (e) Presumably, the phrase "broad community meeting for the residents of Naramata," rather than just 'public meeting,' reflected the fact that FortisBC's June 1, 2006 public meeting had been expressly focused on the Arawana Road community; that there was no point in having another geographically narrowly focused meeting, this time focused on the Fire Hall site; and that therefore it made sense to invite the "broad community" of Naramata to provide input on both sites.
- (f) The APC's recommendation pivots on the public opinion to be expressed at the anticipated November 'broad community' meeting. "In the event that the alternate [Fire Hall] property is more acceptable [than the Arawana Road site] to the broader community, move forward with a new [rezoning] application for the alternate site." [underline added]
- (g) Equally, the APC recommends that "in the event that the alternate [Fire Hall] property is not acceptable to the broader community" – "and/or where the integrity of public safety is compromised" [a condition that never became relevant] – then "move forward with the current Arawana site (subject property) development application."
- (h) In short, a fair reading of the APC's October 11, 2006 Minutes is that a rezoning application should move forward regarding one of the two sites, and that, of the two sites, the one that should be moved forward is the one that turned out to be "more acceptable" to the broad community of Naramata at the upcoming November 2006 meeting.
- (i) In other words, the APC did not express a preference either for the Fire Hall site over the Arawana Road site or *vice versa*. It effectively recommended deferring that choice to the broad Naramata community at the November meeting. The APC did, though, recommend that action be taken on one of the two sites.<sup>45</sup>

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<sup>45</sup> Implicitly, the recommendation to take rezoning action on one or the other of the two sites is in contra-distinction from, say, recommending that other site options be considered.

46. On October 26, 2006, FortisBC provided an update to the Commission.<sup>46</sup> FortisBC states:

To date, the engineering review indicates that the substation can be constructed at that [Fire Hall] location without compromising safety, functionality, or future expansion potential. While there have been no formal commitments, the Ministry of Transportation has indicated that it is willing to dispose of the land and has initiated its external referral process.

47. Again, it is notable that FortisBC says the Fire Hall site would not compromise “future expansion potential” – given the emphasis on the point in FortisBC’s Final Argument.

48. The October 26, 2006 update describes the outcome of the APC meeting on October 11, 2006 as follows:<sup>47</sup>

As stated in previous correspondence, a rezoning application had been submitted to the Regional District of Okanagan-Similkameen for the Arawana Road site previously acquired for the substation. The Regional District’s Naramata Advisory Planning Committee (“APC”) assessed the application at an open meeting on October 11, 2006 and the APC voted in favour of changing the zoning to allow the substation to be constructed and operated on Arawana Road if the Fire Hall site is determined to be unsuitable.

A public information session is scheduled for November 1, 2006 to communicate the current project status and to solicit general public feedback.

49. FortisBC’s account of the APC meeting warrants some comment:

- (a) The APC voted in favour of making a *recommendation* to the RDOS board. The APC does not have authority to vote in favour of, or against, a change of zoning. This is important, because FortisBC’s wording obscures the fact that a decision by FortisBC to proceed with *either* the Fire Hall site or the Arawana Road site would eventually reach the RDOS board for a zoning decision, at which point the APC’s highly conditional October 11 recommendation would be at most one factor among many.
- (b) The APC’s condition regarding the Arawana Road site was not “if the Fire Hall site is determined to be unsuitable.” That implies that the choice between the Fire Hall site and the Arawana Road site would be made by FortisBC. In fact, the only element of the APC’s condition regarding the Arawana Road site that would presumably be FortisBC’s determination was whether “the integrity of public safety is compromised” by using the Fire Hall site. [As noted above, that condition never became relevant.]

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<sup>46</sup> Exhibit B-2, Appendix E.

- (c) Notably, the APC's condition regarding the Arawana Road site hinged not on a determination by FortisBC that the Fire Site was unsuitable but on a scenario in which the outcome of the upcoming November public meeting is that the Fire Hall site "is not acceptable to the broader community." [underline added]
- (d) Moreover, FortisBC's account of the APC meeting conspicuously fails to mention that the APC was equally open to the Fire Hall site. The APC also voted in favour of recommending that a rezoning application for the Fire Hall site be commenced if the upcoming November public meeting shows that the Fire Hall site "is more acceptable" than the Arawana Road site "to the broader community."
50. The effect of FortisBC's incomplete description of the October 11, 2006 APC decision in FortisBC's October 26, 2006 update to the Commission was to give an artificially rosy impression that
- (a) municipal approval of the Arawana Road site was moving into place,
- (b) the main outstanding issue was FortisBC's determination of whether the Fire Hall site was unsuitable,
- (c) the upcoming November 1 public meeting was "to solicit general public feedback" as distinct from the APC's concept that the meeting would determine which of the two sites would proceed based on which was more acceptable to the public.
51. FortisBC's October 26, 2006 update letter reflects a subtle but noticeable cooling toward the Fire Hall site.
52. FortisBC's October 26, 2006 update letter also states:<sup>48</sup>
- FortisBC expects that within 14 days of this [November 1] meeting, it will have adequate information, taking into account stakeholder feedback, to determine which of the two substation locations is most suitable. At that time, this preference will be communicated to both the Commission and the Regional District. If the Fire Hall site is found to be most suitable, FortisBC will then proceed with site acquisition and other permitting requirements, including rezoning.

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<sup>47</sup> Exhibit B-2, Appendix E, p.1.

<sup>48</sup> Exhibit B-2, Appendix E, p.1-2.

If the Ministry of Transportation will not sell the Fire Hall site at a reasonable price or rezoning does not occur FortisBC will continue with the project on the Arawana Road site.

53. Here FortisBC is explicitly asserting that the choice between the Fire Hall site and the Arawana Road site does not hinge on which the broad Naramata community says is more acceptable at the November 1 meeting; rather, that it hinges on which site FortisBC finds to be most suitable “taking into account stakeholder feedback.”
54. On November 1, 2006, FortisBC held a public meeting which some 200 people attended. NAFS presented a petition with some 81 names of people “opposed to the FortisBC proposed substation on Arawana Road.”<sup>49</sup> NAFS says that opposition to the Arawana Road site (plus transmission lines) because of aesthetic impacts was the primary concern expressed at the public meeting and that the participants also expressed the viewpoint that aesthetic impacts should be mitigated if the substation was to be located at the Fire Hall site.<sup>50</sup>
55. On November 5, 2006, NAFS wrote to the BCUC, among other things, conveying the view that both the Arawana Road site nor the Fire Hall site were “bad choices” and that “there is at least one better choice and possibly more.”<sup>51</sup> This is important because NAFS fully acknowledges that its two petitions (June 1 and November 1, 2006) express opposition to the Arawana Road site and associated TL/DL requirements, but do not at that time express affirmative preference for the Fire Hall site. To jump ahead in the chronology, after the Panel ruled that this proceeding would examine only the Fire Hall site and the Arawana Road site NAFS took a position to the effect that with the choice confined to the two, NAFS prefers the Fire Hall site. That position is expressly stated in the 17 witness statements in NAFS’ filed evidence.<sup>52</sup>
56. On November 16, 2006, FortisBC provided the Commission with an update of the Naramata substation project,<sup>53</sup> indicating that a decision would be delayed. The letter makes no

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<sup>49</sup> Exhibit C2-6, p.100, *et seq.*

<sup>50</sup> Exhibit C2-11.

<sup>51</sup> Exhibit C2-6, p.94.

<sup>52</sup> Exhibit C2-6, C2-7.

<sup>53</sup> Exhibit B-2, Appendix F.

attempt to characterize the public input on November 1 within the APC's terms of which one of the two sites is "more acceptable to the broader community."<sup>54</sup>

57. On February 14, 2007, FortisBC provided the Commission with an important update.<sup>55</sup>

FortisBC states:

FortisBC has confirmed that all of the technical issues related to constructing the substation at the Fire Hall site can be addressed by modifying the site layout, and is assessing the cost impacts of the modifications.

58. FortisBC states that if the cost of construction at the two sites is comparable then FortisBC will move forward with the Fire Hall site:<sup>56</sup>

If the cost of construction at the two sites is determined to be comparable, FortisBC will request input from the Regional District of Okanagan Similkameen as to the location and screening options for the substation. If the Fire Hall site is the Company's preferred site, an application to acquire the property will be submitted to the provincial government. The purchase price and amount of time to complete the acquisition process are not known and may also impact the site decision. If the acquisition process delays completion of the substation beyond the autumn of 2007, there is risk of being unable to meet the coming winter peak requirements, and mitigation measures may be required.

59. Significantly, FortisBC does not specify whether the cost comparison between the two options will be done on the basis of project costs or rate impact.

60. On March 15, 2007, FortisBC wrote to the Commission,<sup>57</sup> announcing its intention to proceed with the Arawana Road site. FortisBC does not disavow its February 14, 2007 conclusion that "it is technically feasible to construct a substation at the Fire Hall site."

However, FortisBC states:

The Company's review indicates that the costs are not comparable. The modifications at the Fire Hall would increase costs by approximately \$700,000 - \$1,100,000 (dependent on the resale land value of the Arawana Road property) compared to the Arawana site. ...

61. NAFS takes issue with some of the details of the calculation of the Fire Hall 'Forecast Total.' However, NAFS' main response is that a large portion of the difference in project costs (between Fire Hall and Arawana Road) is due to the longer construction period and

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<sup>54</sup> Exhibit B-5, NAFS A1.3; NAFS Appendix A1.20.2, pdf p.149

<sup>55</sup> Exhibit B-2, Appendix G.

<sup>56</sup> Exhibit B-2, Appendix G.

<sup>57</sup> Exhibit B-2, Appendix H.

later in-service date for the Fire Hall option. These differences are ‘netted out’ by using the rate impact measure. And, as noted elsewhere, FortisBC acknowledges that the difference in the one-time equivalent rate impact measure between the Fire Hall option and the Arawana Road option is the difference between 0.17% and 0.16%, which NAFS says is insignificant given the margins of error involved.

62. In its March 15, 2007 letter, FortisBC goes on to make arguments against the Fire Hall site and in favour of the Arawana Road option. NAFS says that these are indeed ‘arguments’ and not objective, neutral evaluations.
63. FortisBC argues that there are “operations and safety” issues with the Fire Hall site. However, none of these were considered insurmountable when FortisBC concluded in its February 14, 2007 letter that “all of the technical issues related to constructing the substation at the Fire Hall site can be addressed by modifying the site layout.”<sup>58</sup>
64. FortisBC argues, for the first time, that aesthetic factors actually favour the Arawana Road site. FortisBC states:<sup>59</sup>

Feedback from FortisBC’s public meeting in November 2006 revealed that although a majority of attendees disagreed that Arawana Road is the most appropriate site for the substation, a similar majority consider that neither site is appropriate, and a number of respondents stated that they would not support the Fire Hall site if it could not be screened effectively.

65. NAFS says that the Panel should reject these assertions of fact as being unsupported by evidence. FortisBC knew that NAFS contested these characterizations of the views expressed November 1, 2006, meeting, but FortisBC refused to provide the available evidence (questionnaire responses with private information redacted).
66. Alternatively, to the extent that the Panel’s ruling against NAFS’ request for production of the redacted questionnaires is based on insufficient relevance, then NAFS would argue that it follows that these assertions of fact are not of sufficient relevance to be considered by the Panel in making its own determination of the aesthetic merits of the Fire Hall and Arawana Road options.

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<sup>58</sup> Exhibit B-2, Appendix G.

<sup>59</sup> Exhibit B-2, Appendix H, p.3, underline added.

67. Next, FortisBC argues in the March 15, 2007 letter that “flexibility for future growth” is a factor favouring the Arawana Road option over the Fire Hall option. For the first time, FortisBC states that a 10 MVA transformer is expected to meet demand for only the next 15 years, whereas previously FortisBC had asserted that a 10 MVA transformer would be adequate to the 20-year planning horizon.
68. FortisBC states that “it considers it prudent to ensure that the substation site is of sufficient size to allow for future growth.” While it is obvious that the Arawana Road site is larger than the Fire Hall site, FortisBC conspicuously fails to address expansion of capacity at the Fire Hall by the use of a larger transformer as opposed to adding a second, 10 MVA transformer.
69. In addition, FortisBC for the first time introduces factors related to the period *beyond* the 20-year planning horizon – but only in the one-sided context of extolling the Arawana Road site over Fire Hall site. FortisBC’s March 15, 2006 letter states:<sup>60</sup>
- It is the Company’s opinion that either the advancement of load growth, or a shift in the location of growth, may result in a future need to relocate or even add a second substation to meet Naramata’s requirements.
70. This is the first, and apparently only, reference to a possible “future need to relocate or even add a second substation to meet Naramata’s requirements.” NAFS respectfully submits that the Panel should not give this assertion by FortisBC significant weight. Certainly the assertion relates to some time well beyond the current 20-year planning horizon. Furthermore, even taken at face value the assertion is equally supportive of the Fire Hall site. If there is future shift in the location of growth then a 20 MVA transformer at the Fire Hall site could well be optimally sized and substantial load growth in a different location could be supplied by a substation in a different location. Put another way, FortisBC’s beyond-the-planning-horizon point here serves as a caution against overbuilding the new Naramata substation at the (first) new location.
71. On April 17, 2007, the Commission issued Order No. G-42-07,<sup>61</sup> that established that an oral public hearing into Project siting options and related costs and issues be held and directed

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<sup>60</sup> Exhibit B-2, Appendix H, p.4, underline added.

<sup>61</sup> Exhibit A-1.

Fortis BC to file a Report comparing the Arawana and Fire Hall siting alternatives, and such other siting options as FortisBC wishes to include.<sup>62</sup>

72. On April 22, 2007, NAFS registered as an intervenor in this proceeding.<sup>63</sup>

73. On May 4, 2007, legal counsel for NAFS wrote to the Commission,<sup>64</sup> advising that NAFS would be represented by counsel in this proceeding and expressing NAFS's preliminary positions. Having now considered the written and oral evidence, as well as FortisBC's written final argument, NAFS endorses the following views it expressed on May 4, 2007:

Naramata Road is the existing utility corridor. NAFS supports the concept of common utility corridors so as to avoid fragmentation of existing agricultural, residential and agri-tourism lands. NAFS agrees with the need for a new Naramata substation, and believes the substation can, and therefore should, be sited within the existing utility corridor.

NAFS believes that the proposed Arawana transmission line and substation option contravenes the concept of common utility corridors. The proposed transmission line would be a new right of way cut straight across well established small acreages within the Agricultural Land Reserve over the stated objections of the owners.

Order G-52-05 approved the "Naramata Substation Replacement," but it did not consider or approve a particular substation site. Nor did it consider or approve a new transmission line route.

Regarding FortisBC's Proposed Issues List (Exhibit B1, p.12), NAFS respectfully submits that the basic issue in this proceeding is whether the proposed creation of a new transmission line route is necessary and justified. This involves examination of whether the Fire Hall substation site option is technically acceptable and cost effective. If so, that should be the end of the matter.

If the Fire Hall substation option is not technically acceptable and cost effective, then it is necessary to compare two options:

1. the existing transmission line route, the existing distribution line routes and the Fire Hall substation site, and
2. the proposed new transmission line route, new distribution lines (routes unclear as yet) and the Arawana substation site.

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<sup>62</sup> FortisBC chose not to include any other options.

<sup>63</sup> Exhibit C2-1.

<sup>64</sup> Exhibit C2-2.

74. On May 9, 2007, the Commission issued Order No. G-51-7 and a regulatory timetable for the current proceeding.<sup>65</sup>
75. On May 14, 2007, the Commission issued Information Request No.1 to FortisBC in this proceeding.<sup>66</sup>
76. On May 23, 2007, NAFS filed Information Request No.1 to FortisBC.
77. On June 7, 2007, FortisBC filed responses to BCUC IR1, NAFS IR1, Andrew IR 1, Andrew/Wright/Thompson IR1, and Karow IR1 and IR2.<sup>67</sup>
78. On June 15, 2007, NAFS filed a second round of IRs to FortisBC.<sup>68</sup>
79. On June 18, 2007, NAFS filed a large volume of evidence.<sup>69</sup> NAFS filed additional evidence on the same day.<sup>70</sup>
80. On July 20, 2007, FortisBC filed responses to NAFS IR2.<sup>71</sup>
81. On July 24, 2007, the Commission held an oral hearing in this proceeding in Penticton, B.C.<sup>72</sup>
82. On July 31, 2007, FortisBC filed “Undertakings.”<sup>73</sup> Of note is Undertaking No. 6, in which FortisBC provided “the cost for the additional option of one overhead transmission line and two underground distribution feeders along the Arawana Road” in the Arawana Road substation location scenario. “Option F,” as FortisBC calls it, has a Forecast Total of \$6,239,000 compared to a Forecast Total of \$6,289,000 for Option C (overhead TL and DL underbuild on the direct cross-country route – FortisBC’s preferred option) and a Forecast

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<sup>65</sup> Exhibit A-3.

<sup>66</sup> To clarify, the Commission’s July 28, 2006 Information Request, which is also called IR1, was not technically within the current proceeding. The Commission’s May 14, 2007 IR is called IR1 because it is the first Commission IR in this proceeding.

<sup>67</sup> Exhibit B-5.

<sup>68</sup> Exhibit C-2-5.

<sup>69</sup> Exhibit C-2-6.

<sup>70</sup> Exhibit C-2-7.

<sup>71</sup> Exhibit B-8.

<sup>72</sup> The Transcript is at

[http://www.bcuc.com/Documents/Proceedings/2007/DOC\\_16187\\_Transcript\\_Volume\\_1-FBC-Naramata-July-24-2007.pdf](http://www.bcuc.com/Documents/Proceedings/2007/DOC_16187_Transcript_Volume_1-FBC-Naramata-July-24-2007.pdf).

<sup>73</sup> “Undertakings” in this context refers to written responses to commitments made a witness during the oral hearing to provide additional information on a topic.

Total of \$6,189,000 for Option D (overhead TL and one underbuilt DL on the Arawana Road route plus one underground DL on the Arawana Road route).

83. Arawana Road Options C, D and F are therefore within \$100,000 (0.016%) of each other in Forecast Total – which is effectively an insignificant difference in estimated cost, given these are cost estimates to a 10% level of accuracy.

### **NAFS Evidence**

84. NAFS respectfully commends the NAFS evidence to the Panel and will not exhaustively repeat it here.
85. However, what NAFS wishes to emphasize is that the NAFS witness statements go beyond opposition to the Arawana Road site and provide specific support for the Fire Hall site in the circumstances of a choice limited to the two sites. As noted above, this goes significantly beyond the wording of the NAFS petitions.
86. The witness statement of June Stewart and Dan Stewart states:<sup>74</sup>

11. If there were only two possible outcomes – a substation at the Arawana Road site with a transmission line on the ‘direct cross-country’ route, or a substation at the Fire Hall site – which, in your opinion, would be best for the Naramata community as a whole?

The Fire Hall site would be the better site as it is already in a Utility Corridor and would require less transmission lines being built outside of that corridor.

The Arawana site would necessitate expropriation of Rights of Ways over three (3) properties all of which are in the ALR and producing, grapes, peaches and pasture land for cattle.

87. The witness statement of Donna and David Andrew states:<sup>75</sup>

11. The Fire Hall site is the better location for the substation for the following reasons:

- The site is under the existing transmission line.
- FortisBC presently uses the site.
- The site is in a hollow rather than so exposed, as is the Arawana site.
- The transmission lines and infrastructure needed to service the Arawana site will have a severe negative effect on the Arawana Rd neighbourhood.

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<sup>74</sup> Exhibit C2-6, p.6.

<sup>75</sup> Exhibit C2-6, p.7.

- To locate the Arawana substation transformer FortisBC intends to clear-cut almost two acres of land and then level it so that the presently sloped site can be accessed by large trucks and equipment. I predict that the site will be an eyesore for ten-to-twenty years, if not indefinitely.

88. The witness statement of Bliss & Hellen Thompson states:<sup>76</sup>

11. If there were only two possible outcomes – a substation at the Arawana Road site with a transmission line on the ‘direct crosscountry’ route, or a substation at the Fire Hall site – which, in your opinion, would be best for the Naramata community as a whole?

The Fire Hall site because it follows the present utility corridor and is not in a residential area.

89. The witness statement of Frank Focken states:<sup>77</sup>

**6. It is very puzzling and difficult to understand that the optional site, the Fire Hall site, is being rejected by Fortis BC as the preferred site for the Sub-Station location. We have done considerable research comparing the two sites and we found the following:**

- **The Fire Hall site is in a semi commercial area whereas the Arawana site is in totally residential and small agricultural holdings area.**
- **Any homes that will be able to see the Sub-Station at the Fire Hall site already have a view of the Fire Hall and the main traffic and utility corridor.**
- **A Sub-Station at the Fire Hall site will be located in the existing utility and traffic corridor and directly under the existing transmission and distribution power lines. It will not be necessary to construct new power lines as is the case if the Arawana Road site were chosen.**

90. The witness statement of Anne Reid, Lois Reid, Robert L. Reid & Natalie Reid states:<sup>78</sup>

11. If there were only two possible outcomes – a substation at the Arawana Road site with a transmission line on the “direct cross-country” route, or a substation at the fire hall site, which, in your opinion, would be best for the Naramata community as a whole?

The Fire Hall site would be a far more superior for location due to the fact that the lines are already there and it is only a drive-by location . When one drives by, there is no time to look at a sub-station especially driving on the crooked Naramata road.

91. The witness statement of Carolyn King states:<sup>79</sup>

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<sup>76</sup> Exhibit C2-6, p.29.

<sup>77</sup> Exhibit C2-6, p.31.

<sup>78</sup> Exhibit C2-6, p.31.

<sup>79</sup> Exhibit C2-6, p.34.

If there were only two possible outcomes – a substation at the Arawana Road site with a transmission line on the ‘direct cross-country’ route, or a substation at the Fire Hall site – which, in your opinion, would be best for the Naramata community as a whole? *Firehall of course.*

92. The witness statement of John and Esther Moss states:<sup>80</sup>.

11. If there were only two possible outcomes – a substation at the Arawana Road site with a transmission line on the ‘direct cross-country’ route, or a substation at the Fire Hall site – which, in your opinion, would be best for the Naramata community as a whole?

Undoubtedly the Fire hall site

93. The witness statement of Kevin Brown, Margo McKenzie, Dominika Nasilowski, Brendan McKenzie states:<sup>81</sup>.

11. If there were only two possible outcomes – a substation at the Arawana Road site with a transmission line on the ‘direct cross-country’ route, or a substation at the Fire Hall site – which, in your opinion, would be best for the Naramata community as a whole?

The selection of the fire hall site would have negligible effects upon the community. The Arawana site will negatively numerous property owners directly and will have the effect of degrading an entire neighbourhood.

94. The witness statement of Evelyn T. Doyle states:<sup>82</sup>.

The Fire hall site would not impact our area and would be a far better location for the sub station. There are already transmission lines in place there and I don’t understand why Fortis is claiming that more lines are not feasible.

The idea of putting transmission lines over working farm properties is just not acceptable and expropriation is indefensible.

95. The witness statement of Raymond & Patricia Marchand states:<sup>83</sup>.

If there were only two possible outcomes – a substation at the Arawana Road site with a transmission line on the ‘direct cross-country’ route, or a substation at the Fire Hall site – which, in your opinion, would be best for the Naramata community as a whole?

There is no doubt in our minds that the services are required by the community. The visual impact of the Arawana Road site and transmission line is severe while the Fire hall site impact is marginal. As well, the Fire Hall site currently has

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<sup>80</sup> Exhibit C2-6, p.35-36.

<sup>81</sup> Exhibit C2-6, p.45.

<sup>82</sup> Exhibit C2-6, p.48.

<sup>83</sup> Exhibit C2-6, p.52.

services at and near it which have long been established and accepted by the community.

96. The witness statement of Susanne Pedersen, Erik Pedersen, Cliff Pedersen states:<sup>84</sup>.

If there were only two possible outcomes – a substation at the Arawana Road site or a substation at the Fire Hall site – which, in your opinion, would be best for the Naramata community as a whole?

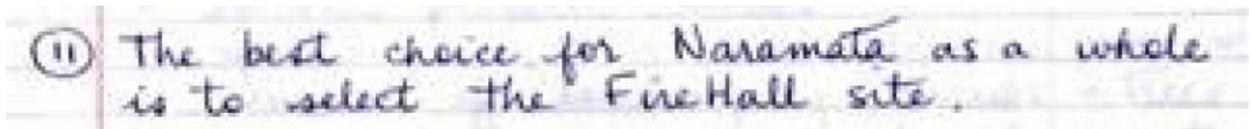
The Fire Hall site is the temporary mobile sub station site and has all transmission lines in place already. So would be the better site.

97. The witness statement of James Rogers states:<sup>85</sup>.

If there were only two possible outcomes -- a substation at the Arawana Road site with a transmission line on the direct crosscountry route, or a substation at the Fire Hall site, which, in your opinion, would be best for the Naramata community as a whole?

Fire Hall site as it is already there and there as a distraction and the addition of a sub-station would not impact as much.

98. The witness statement of Michael Edward Coton states:<sup>86</sup>.



⑪ The best choice for Naramata as a whole is to select the FireHall site.

99. The witness statement of Jeffrey Reynolds, Christine Brennan states:<sup>87</sup>.

11. If there were only two possible outcomes \_ a substation at the Arawana Road site with a transmission line on the \_direct cross-country\_ route, or a substation at the Fire Hall site \_ which, in your opinion, would be best for the Naramata community as a whole?

The fire hall site

100. The witness statement of Mickey Marshal and Evelyn Dumaine-Marshall states:<sup>88</sup>.

In summary, of the two potential location options for the Fortis substation and the 63kV transmission line, our preference is most definitely the Fire Hall location as this site offers the least impact visually and aesthetically to our property, the Naramata area and the community as a whole.

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<sup>84</sup> Exhibit C2-6, p.54.

<sup>85</sup> Exhibit C2-6, p.57.

<sup>86</sup> Exhibit C2-6, p.59.

<sup>87</sup> Exhibit C2-6, p.63.

<sup>88</sup> Exhibit C2-9.

## Specific Topics

### *Need*

101. NAFS acknowledges that there is a need for a new substation in Naramata. NAFS' concerns have to do with where it will go and where the transmission lines for it will go.<sup>89</sup>

### *Opposition to the Fire Hall site*

102. All, or virtually all,<sup>90</sup> of the expressions of opposition to the Fire Hall site in this proceeding do not express an affirmative preference for the Arawana Road site and TL/DL options over the Fire Hall site. Where the authors do comment on the alternatives, they say that there is, or must be, a better alternative than either of the two sites.

103. NAFS respectfully but strongly disagrees with FortisBC's contention in final argument that:

40. The evidence at the Hearing clearly showed that there is divided opinion within the Naramata community as to which site is preferable. There are petitions in evidence against both sites (citation omitted). ...

104. The petitions and statements of opinion against the Fire Hall site do not provide the Commission with evidence of "opinion within the Naramata community as to which site is preferable." NAFS acknowledges that its June 1 and November 1 2006 petitions do not express an affirmative preference for the Fire Hall site. That is what makes its filed evidence, oral testimony and opening statement so important. It provides evidence of opinion within the Naramata community as to which site is *preferable*.

### *Arawana Road TL/DL options*

105. In response to the Commission counsel's hypothetical question of which TL/DL route and option NAFS would prefer in the event the Panel chooses the Arawana Road substation site, NAFS stated and now reaffirms the following:<sup>91</sup>

NAFS prefers the Fire Hall site (columns ii or i) over the Arawana Road site.

However, if the Arawana Road site is selected, NAFS prefers Option B, Arawana substation with Arawana Road underground TL and one underground DL and one overhead DL (column vii).

NAFS is not able to express a preference regarding other Arawana Road transmission line/distribution line options.

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<sup>89</sup> Exhibit C2-14.

<sup>90</sup> NAFS has not noted any exceptions.

<sup>91</sup> Exhibit C2-15.

106. The Arawana Road TL/DL route option “column F” arose after NAFS made its Undertaking response above. NAFS does not take a position regarding “option F” as such. In the hypothetical event that the Panel chooses the Arawana Road site, NAFS would respectfully submit that TL/DL route options should be evaluated according to cost, minimization of infrastructure footprint, minimization of interference with private property, and minimization of aesthetic impact.

***Relative costs***

107. The one-time equivalent rate impact measure is the best parameter on which to compare the cost of the Fire Hall approach with the cost of the Arawana Road with TL/DL approach.

108. The one-time equivalent rate impact of the Fire Hall approach and of the Arawana Road with TL/DL approach are virtually identical: 0.17% compared to 0.16%, respectively.

109. NAFS submits, therefore, that cost is not a factor on which the Panel can or should prefer one approach (Fire Hall or Arawana Road) over the other. The choice has to be made on other factors.

***Mitigation***

110. NAFS takes the same approach to mitigation measures concerning both the Fire Hall option and the Arawana Road option.

111. First, NAFS feels that the Commission should require FortisBC to consult broadly regarding mitigation measures. The consultation should be with directly affected property owners (i.e., owners of property on which infrastructure will be placed), immediate neighbours (i.e., residents of property adjoining property on which infrastructure will be placed), closely affected neighbours (i.e., residents from whose property the infrastructure could be seen or heard depending on mitigation measures), and community members generally (i.e., people who could see or hear the infrastructure – depending on mitigation measures – while driving or walking by; and people who are concerned about the effect of the infrastructure on visitors, general ambience, etc.). In addition, of course, the consultation should include any institutional bodies that may be affected or may have suggestions, such as other utilities, and the Ministry of Transportation and Highways.

112. Second, NAFS believes it would be useful for the Commission to require FortisBC to file with the Commission and make public its plans for implementation of the Commission's main decision in this proceeding; and that those plans would include mitigation measures.

113. Third, NAFS suggests that irrigation should be required at either site in order to allow for the most effective vegetative screening. The climate at both sites is such that vegetation, whether 'natural' or planted, is unlikely to create effective visual mitigation without irrigation. NAFS is aware that irrigation hookups would be available at either site, and that the cost is minimal.

114. Fourth, NAFS recommends that the Commission approve the possibility of an aesthetic wall at the Fire Hall site or an equivalent improvement at the Arawana Road site (such as a retaining wall to allow the facility to be located further east) on the basis that whether and how such improvements would be implemented would be one of the subjects of consultation. NAFS' view is that mitigation measures at this level of detail are better determined after the basic choice of substation site has been determined and after some of the engineering factors have been clarified.

### **NAFS positions**

115. In a choice between the Fire Hall site and the Arawana Road site, which is what this proceeding is confined to, NAFS strongly supports the Fire Hall site.

116. NAFS believes that the Panel's choice should be made between the Fire Hall site on the one hand and the Arawana Road site plus TL/DL routes on the other hand. The Arawana Road site is inextricably burdened with the problems associated with any and all of the identified TL/DL options.

117. It would be unfair to all those who would suffer particular harm from the Arawana Road TL/DL options if the Panel were to isolate the Arawana Road substation site from its TL/DL implications in making the comparison with the Fire Hall site.

118. In terms of cost effectiveness (and purely from a costs perspective), there is no significant difference between the Fire Hall option and the Arawana Road option. The Panel's choice between the two options has to be made on other grounds.

119. The Fire Hall site is not perfect, but its fundamental advantage over the Arawana Road site is that it makes use of the existing utility corridor.
120. FortisBC's argument that the Fire Hall site has insufficient room for future expansion is not supported by the evidence. It is understandable that FortisBC would like, other things being equal, to have a roomier substation site than a smaller substation site. However, other things are not equal in this Naramata situation. Furthermore, the Fire Hall substation site is large enough to hold a 20 MVA transformer – *twice* the size of the 10 MVA transformer that FortisBC has said will meet Naramata's load throughout the long term planning horizon – and still have room for the mobile substation.
121. In terms of minimization of new infrastructure footprint, the Arawana Road site would require a much larger increase in infrastructure footprint than would the Fire Hall site. As FortisBC's witness Mr. Finke acknowledged in the Hearing, the Arawana Road substation site is 12,500 square metres; plus the proposed direct cross-country right of way at 5,500 square metres, makes a total footprint of 18,000 square metres for the proposed Arawana Road option.<sup>92</sup> And that compares to a footprint of 2,700 square metres at the Fire Hall site.<sup>93</sup>
122. In terms of minimization of aesthetic impact, the Fire Hall site, again, is not perfect. But the Arawana Road site plus whatever TL/DL option would be chosen is clearly much worse. That opinion is supported by the witness statements in NAFS' evidence. The only contrary evidence is FortisBC's own assertions. The various statements that the Fire Hall site would be aesthetically undesirable do not go to the question of which option (Fire Hall or Arawana Road) is worse from an aesthetic perspective.
123. In terms of minimization of direct impact on private property, the Arawana Road site plus whatever TL/DL option would be chosen has a much more negative impact on private property owners than does the Fire Hall site. This comes back to the simple fact that the Fire Hall site is within the existing utility corridor. It would require *no* new transmission line. And the site is already in use for electrical infrastructure.

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<sup>92</sup> T1:80.

<sup>93</sup> T1:80.

124. For these summary reasons, the reasons stated above, and the reasons presented in NAFS' written and oral evidence, NAFS respectfully requests that the Commission Panel choose the Fire Hall site over the Arawana Road site.

### **Orders requested**

125. NAFS respectfully requests that the Commission Panel make the following orders:

- (a) directing FortisBC to proceed with the Fire Hall site for the new Naramata substation,
- (b) requiring FortisBC to implement the mitigation measures recommended by NAFS and outlined above,

### **Conclusion**

126. The members of NAFS would like to take this opportunity to express their appreciation of this opportunity to participate in the Commission's review of FortisBC's siting of the new Naramata substation and transmission/distribution lines.

ALL OF WHICH IS RESPECTFULLY SUBMITTED



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William J. Andrews

August 9, 2007