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August 25, 2016

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Ms. Laurel Ross, Acting Commission Secretary and Director

Dear Ms. Ross:

Re: FortisBC Inc. (FBC or the Company)

Application for a Certificate of Public Convenience and Necessity (CPCN) for Replacement of the Corra Linn Dam Spillway Gates (the Application)

British Columbia Utilities Commission (Commission) Exhibit A-5 Request for Further Information Regarding Confidentiality of Appendices

On July 8, 2016, the Commission issued Order G-107-16 establishing the Regulatory Timetable for the review of the Application. On August 22, 2016, the Commission issued a letter (Exhibit A-5) requesting that FBC provide further clarification on the nature and reasons for its request for confidentiality for 9 of the 12 Appendices to the Application which were filed confidentially.

FBC has no concerns with requests for access to confidential information from interveners representing customer groups upon execution of an Undertaking of Confidentiality. FBC, however, maintains that it is contrary to the interests of both the public and the Company for technical, engineering and financial information contained in certain of the Appendices to be disclosed or available publicly, for the reasons outlined in the Application further elaborated on in this letter.

Information published on the Commission's website is, by its very nature, public information, and can be easily obtained by anyone with internet access. FBC is concerned that public disclosure of the technical and engineering asset information contained in the Confidential Appendices elevates the risk of potential harm to FBC's assets by someone with malicious intent which could result in damage to an FBC asset and/or limit, restrict, or impair its

operation. This risk is such that disclosure of this information could reasonably be expected to result in harm to the safety of the public, the Company's employees, and to the asset itself. Further, financial information that is provided in certain of the Confidential Appendices could reasonably be expected to be used by potential contractors to inform their bids for services or materials. This would compromise the tendering process and could result in higher total costs than might otherwise be achieved.

With the above in mind, FBC hereby provides its responses to the Commission's questions.

- ***What specific harm to individual or public safety or to the environment does FortisBC expect will result from the public release of Appendices B (excluding section 2.3, the last paragraph of section 5.4 and the second bullet of item 6 in section 6.0), D, E, F1, F3, H and M?***

Response:

FBC confirms that Appendices B, D, E, F1, F3, and M contain sensitive technical and engineering information and identify vulnerable areas of the Corra Linn Dam. As noted above, if this information is disclosed publicly, it could reasonably be expected to be used by someone with malicious intent to cause damage to the asset, and/or to limit, restrict, or impair the continued safe and reliable operation of the facility, increasing the level of risk to public and employee safety.

With respect to Appendix H, it contains financial information and contingency details that are based on certain identified Project risks. The public disclosure of this financial information could inform contract bidders, and could result in higher bids and higher total costs than may otherwise be achieved. For example, providing bidders with detailed information on each of the identified risks and their likelihood of occurrence, as well as the estimated cost of mitigation, effectively removes a significant aspect of the competitiveness intended to be achieved through tendering. It is reasonable to expect that disclosure of this type of information could prejudice FBC's negotiating position, and would therefore not be in the interest of customers or the Company.

The following is a summary of each of the noted Confidential Appendices and FBC's reasons for requiring confidentiality.

- ***Appendix B:*** In addition to containing sensitive information on FBC's electrification system (as was provided as an example in the Application), Appendix B contains detailed information about several of the features of the Corra Linn facility. Another example of this detail is the characteristics of the structure, hoists, and anchors that directly impact the ability to control the gates, control the release of flows, and affect the dam's ability to continue to store water and control floods. By making this information widely available, a reasonably knowledgeable person could potentially disable key equipment and make the dam vulnerable should a flood occur, increasing the downstream risks to the public and endangering public and employee safety.
- ***Appendix D:*** Appendix D includes information about the structural condition and the strength of the dam's concrete surface. The document describes, in detail, the

existing safety factors for various load cases. Again a reasonably knowledgeable person could use the information provided on vulnerabilities to reduce the dam's ability to perform its primary functions to control floods, thereby increasing the risk to both public and employee safety.

- **Appendix E:** Drawings and details related to the new design of the spillway gates and supporting structures, including the design, reinforcements and specifications are provided in Appendix E. Disclosing such detailed information publicly could be used to damage and/or limit, restrict, or impair the operation of the asset resulting in an increased risk to public and employee safety.
 - **Appendix F-1:** Appendix F-1 contains pictures and information related to the equipment and operation of the equipment. This information could be used to damage and/or limit, restrict, or impair the operation of the asset resulting in an increased risk to public and employee safety.
 - **Appendix F-3:** Details of the inspection and thickness measurements of the current spillway gates and specific information as to the portions of the gates with the lowest strength are contained in Appendix F-3. Providing this precise location information could be used to damage and/or limit, restrict, or impair the operation of the asset by a reasonably knowledgeable person, which could decrease the flood control capability of the facility, risking both public and employee safety.
 - **Appendix M:** Appendix M provides drawings and details for the proposed new design of the spillway gates and supporting structures. This includes details of the design, reinforcements, and specifications. Disclosing such detailed information could be used by a reasonably knowledgeable person to damage and/or limit, restrict or impair the future operation of the asset, resulting in an increased risk to both public and employee safety.
 - **Appendix H:** A list of identified risks associated with the Project, including a probability rating for each risk, the consequences of the risk, and an estimated cost should the identified risk materialize are provided in Appendix H. This information is used in the Application, in part, to determine appropriate contingency amounts. However, disclosure of the risk register in Appendix H and the associated contingency amounts could inform potential bidders of the details of FBC's evaluation of the risks and how those risks are allocated. This could reasonably be expected to prejudice FBC's negotiating position and result in higher contract bids, and thereby increasing the costs for the Project.
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- ***Is it possible to provide a redacted version of Appendix B that would reduce or eliminate the harm caused by public release? If not, please explain.***

Response:

Yes, it would be possible for FBC to provide a redacted copy of Appendix B that would reduce the potential safety and security risk that would result from the public release of this appendix. However, after redacting all of the sensitive information, there would be limited benefit and value to providing this redacted version of Appendix B for the record, particularly

as the relevant information that could be publicly released in the 2011/2012 Dam Safety Review is already summarized in the Application itself. Further, interveners participating in the review may obtain confidential information through execution of an Undertaking of Confidentiality. This ensures an efficient and effective review process, while also protecting this confidential information. Should the Commission request a redacted copy from the Company, FBC would recommend redaction of several sections where the public release of the technical and engineering details of the asset would be at risk to be used to damage and/or limit, restrict, or impair the continued safe and reliable operation of the asset.

- ***What specific costs contained in Appendices J and K could be used as a reference bid price? Please confirm these costs match the scope of proposed bid packages and that they do not contain other overhead costs that would reasonably preclude their use as a useful bid price reference.***

Response:

The capital spending amounts contained in Appendices J and K describe the cost of the various components of work, including specifics related to the spillway gates, hoists, towers and bridges, and also provides a breakdown of the equivalent as spent dollars in a particular year. This detailed breakdown of each work component of the cost estimate could be used by a potential bidder to determine the estimated budgets for construction costs included in the Application by asset category. Providing potential bidders with this level of detail would negate the intent of conducting a competitive tendering process, and could reasonably be expected to prejudice FBC's negotiating position and result in higher costs for the Project.

FBC confirms that the breakdown shown in Appendices J and K is by asset class such as spillways, hoists and embedded parts and, generally, a tender package would request bidders to provide costs to install assets by class or type. The costs are all inclusive in as-spent dollars and include contractor's overhead costs but not FBC's overhead costs and as such, provide a useful reference for contractor's bids.

- ***Please comment on whether the above mentioned Appendices contain financial, commercial, scientific, or technical information that is confidential and consistently treated as confidential by the FortisBC. Does FortisBC have a legal obligation to maintain confidentiality of any of the information?***

Response:

FBC confirms that the above mentioned Appendices contain financial, commercial, scientific and technical information that is consistently and routinely treated as confidential by FBC. As an example, this type of information is routinely filed as "Confidential" before the Commission, in order to ensure that confidentiality of the information is maintained.

With respect to legal obligations, FBC is not aware of any legal obligations to maintain the confidentiality of the information.

In summary, as described above, making the Confidential Appendices publicly available does not serve the public interest as it substantially increases the safety risks and potential exposure to harm for the public, for employees, and to the asset and its ongoing safe operation. FBC believes the public interest and the efficient regulatory review process is best served by Interveners representing customer groups obtaining access to necessary confidential information by execution of an Undertaking of Confidentiality.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC INC.

Original signed:

Diane Roy

cc (email only): Registered Interveners