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December 5, 2018

Commercial Energy Consumers Association of British Columbia
c/o Owen Bird Law Corporation
P.O. Box 49130
Three Bentall Centre
2900 – 595 Burrard Street
Vancouver, BC
V7X 1J5

Attention: Mr. Christopher P. Weafer

Dear Mr. Weafer:

Re: FortisBC Energy Inc. (FEI)

Project No. 1598963

Application for Use of Lands under Sections 32 and 33 of the *Utilities Commission Act* in the City of Coquitlam for the Lower Mainland Intermediate Pressure System Upgrade Projects (the Application) – Phase Two

Response to the Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1

On June 28, 2018, FEI filed the Application referenced above. In accordance with the British Columbia Utilities Commission Order G-190-18 setting out the Regulatory Timetable for the review of the Application, FEI respectfully submits the attached response to CEC Phase Two IR No. 1.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments
cc (email only): Commission Secretary
Registered Parties

FortisBC Energy Inc. (FEI or the Company) Application for Use of Lands under Sections 32 and 33 of the <i>Utilities Commission Act</i> in the City of Coquitlam for the Lower Mainland Intermediate Pressure System Upgrade Projects (the Application)	Submission Date: December 5, 2018
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1 **1. Reference: Exhibit C1-8, page 2 and Exhibit B-12, page 1 and page 8**

2 The City's position is that the preferred and most cost-effective approach is for FEI to remove the entire 5.5km of NPS 20 Pipeline underneath Como Lake Avenue as soon as possible (i.e., when the NPS 30 Pipeline is in service), rather than fill it with concrete and then remove it separately in the future.

3 The evidence provided by FEI in this document relates to the two issues described as the "Phase Two" issues in Exhibit A-4, namely the City's requirement with respect to the Project that:

- 4 (i) FEI pave the entire width of a 5.5 kilometre segment of Como Lake Avenue and perform additional road remediation, beyond what would be required under the Operating Agreement between FEI and the City of Coquitlam dated January 7, 1957 (Operating Agreement) (Appendix A) and despite FEI's construction being limited primarily to less than two lanes; and
- 5 (ii) FEI remove, at its own cost, an approximate 380 metre segment of the nominal pipe size (NPS) 20 intermediate pressure (IP) gas line that has been approved by the BCUC to be abandoned in place.

6 However, at a meeting on June 5, 2018,⁷ the City informed FEI that rather than a financial contribution, the City was conditioning approval of the Engineering Drawings on FEI agreeing to:

- 7 • pave the entire 14.0 metre width of the 5.5 kilometre section of Como Lake Avenue;
- 8 • perform road remediation (repair the subgrade below the asphalt) beyond the City's Paving Specifications to replace 125 millimetres of subsurface materials and pavement across all four lanes of Como Lake Avenue for an estimated total width of 14.0 metres along the entire length of 5.5 kilometres of Como Lake Avenue; and
- 9 • provide the City a \$6.0 million letter of credit to secure performance of the work.

10 1.1 The City's evidence is that the City requests that FEI remove the entire 5.5 km of NPS 20 pipeline under Como Lake Avenue, whereas FEI's evidence appears to be that the City requests FEI to remove an approximate 380 metre segment of the NPS 20, at FEI's cost. Please confirm that the City requires FEI to remove the entire 5.5 km of NPS 20 pipeline.

11 **Response:**

12 As described on Pages 20 and 36 of Exhibit B-12, FEI's Evidence on Phase Two Issues, the City has not exercised its rights under the Operating Agreement to request removal of either 13 380 metres or 5.5 kilometres of the NPS 20 IP gas line. FEI now understands that the City 14 would like FEI to remove the entire length of the gas line, but at FEI's cost rather than in 15 accordance with the cost allocation method set out in the Operating Agreement. 16 17



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1 Prior to the BCUC providing authorization to proceed with the Project by way of Order G-158-
2 18, the City was refusing to provide approval of the Project's engineering drawings unless FEI
3 first agreed to the City's requirement that FEI:

4 1. pave the entire width of a 5.5 kilometre segment of Como Lake Avenue and perform
5 additional road remediation; and

6 2. remove, at FEI's own cost an approximately 380 metre segment of the NPS 20 IP gas
7 line.

8 FEI is prepared to undertake the removal of any portion of the NPS 20 IP gas line, including
9 either 380 metres or 5.5 kilometres, if the City exercises its rights under the Operating
10 Agreement and requests such a removal. FEI has not agreed to the City's proposal that FEI
11 bear the entire cost of this removal.

12

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1 **2. Reference: Exhibit B-12, pages 7- 8**

2 In late 2017 and in early 2018, in an effort to resolve the outstanding issues with the City and to obtain the permits and approvals necessary for the construction of the Project, FEI was

3 amenable to considering a contribution of \$3.2 million dollars toward the paving of Como Lake Avenue from curb to curb in support of the City's objective to repair the subgrade below the asphalt and completely repave Como Lake Avenue. The City's repair and paving would occur after FEI had repaired and paved the damaged portion of Como Lake Avenue that resulted from the Project. FEI was amenable to considering this contribution because FEI believed it would be a means to obtaining approval of the Engineering Drawings and other permits and approvals required by the City, and because FEI recognized that during the course of the Project, Como Lake Avenue would be impacted by the trench construction associated with the NPS 30 IP gas line, and excavation of bell holes to decommission and abandon the existing NPS 20 IP gas line in place.

4 FEI understood that the City's objective was to not just repave all four lanes but to also repair the subgrade (road base layer and replace the lower layers of asphalt) on Como Lake Avenue, and that the cost for this work would be in excess of \$3.2 million⁵. FEI believed that the \$3.2 million would provide an acceptable contribution to the City's overall repair and paving objectives for Como Lake Avenue which the City estimated to be \$6.2 million. Of this \$6.2 million, the City considered its share to be approximately \$3.0 million, which would include repairing the subgrade (road base (gravel) and replacing the lower layer(s) of asphalt) and the City providing the project management and delivery of this paving work.

5 2.1 Please provide FEI's estimate of the actual costs for repair associated with the
6 impacts from 'the trench construction associated with the NPS 30 IP gas line and
7 excavation of bell holes'.

8 **Response:**

9 Please refer to FEI's response to City Phase 2 IR 1.5.1 for a breakdown of costs for paving
10 Scenario 1 which includes costs for paving and restoration of the trench and asphalt key.

11 The cost for backfill and repaving activities for the bell hole excavations to accommodate the
12 NPS 20 IP gas line abandonment activities within the City of Coquitlam is estimated to be
13 approximately \$105,398.

14 The total costs for repaving activities in the City of Coquitlam for both installation (under
15 Scenario 1) and repaving activities for the bell hole excavations are estimated to be
16 approximately \$706,379.

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1 2.2 On a plain reading of the terms of its Operating Agreement, is FEI required to
2 make a contribution to the City beyond that which is required to return the City
3 property to its original condition? Please discuss and provide evidence in the
4 Operating Agreement to support FEI's interpretation.

5
6 **Response:**

7 FEI is not required under the Operating Agreement to make a contribution to the City beyond
8 that which is required to return City property to its original condition. Under Section 8 of the
9 Operating Agreement, FEI is required at its cost to reinstate the paving or surface on public
10 property it has disturbed to as good a state of repair as it was prior to the disturbance.

11 As described in FEI's response to BCUC Phase 2 IR 2.12.2.1, FEI no longer intends on offering
12 a \$3.2 million contribution to the City as part of any paving scenario.

13
14

15
16 2.3 On a plain reading of the terms of its Operating Agreement, is FEI required to
17 make a contribution to the reparation of the subgrade? Please explain and
18 provide evidence in the Operating Agreement to support FEI's interpretation.

19
20 **Response:**

21 Under Section 8 of the Operating Agreement, FEI is required at its cost to reinstate the paving
22 or surface on public property it has disturbed to as good a state of repair as it was prior to the
23 disturbance. As a result, FEI would be required to repair the subgrade if it damaged the
24 subgrade in the course of the work.

25 For example, as set in Section 2.4 of Exhibit B-12, FEI's Evidence on Phase Two Issues, FEI
26 will repair the subgrade and surface along the NPS 30 IP gas line trench in accordance with the
27 City's Paving Specifications.

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31 2.4 If, on a plain reading of the Operating Agreement, FEI would be required to pay
32 less than \$3.2 million, please explain why FEI is offering to pay more than
33 necessary under the Operating Agreement.

34



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1 **Response:**

2 Please refer to the response to CEC Phase 2 IR 1.2.2.

3 The City rejected FEI’s proposed \$3.2 million contribution towards the City’s repair and repaving
4 of Como Lake Avenue which was part of an overall proposal to resolve the outstanding issues
5 with the City so that FEI could obtain the permits and approvals from the City to proceed with
6 the construction of the NPS 30 IP gas line. As set out on page 8 of Exhibit B-12, FEI’s Evidence
7 on Phase Two issues, at a meeting on June 5, 2018, the City informed FEI that rather than
8 requiring a \$3.2 million financial contribution toward the repaving of Como Lake Avenue, the
9 City was conditioning its approval of the Engineering Drawings on FEI agreeing to pave the
10 entire width of the 5.5 kilometre section of Como Lake Avenue including road remediation
11 (repairing the subgrade below the asphalt) and providing a \$6.0 million letter of credit to secure
12 performance of the paving work. In a meeting on June 20, 2018 and in a letter dated June 28,
13 2018, FEI informed the City that FEI was unable to agree to the City’s request because it
14 represented a significant departure from the requirements of the Operating Agreement and
15 would result in FEI incurring significant unwarranted costs that would have to be recovered from
16 its customers. FEI also informed the City that it would be filing an application to the Commission
17 seeking an order allowing FEI to proceed with the construction of the NPS 30 IP gas line based
18 on the terms of the Operating Agreement and the technical terms agreed to between FEI and
19 the City.

20

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1 **3. Reference: Exhibit B-12, page 3 and page 10**

Under section 8 of the Operating Agreement, FEI is required at its cost to reinstate the paving or surface on public property which it has disturbed in as good a state of repair as it was prior to its disturbance and in accordance with reasonable specifications, and subject to the supervision of, the Municipal Engineer.²

2 FEI is committed to repairing any damage to Como Lake Avenue resulting from the Project in accordance with the Operating Agreement, and in particular, in accordance with the City's Paving Specifications as described in Section 2.2 below.

3 During the decommissioning and abandonment of the NPS 20 IP gas line, FEI would also excavate a small 3 metre by 3 metre bell hole approximately every 300 metres to abandon the NPS 20 IP gas line in place. As set out in Figure 2-3 below, FEI anticipates this work would have an impact on parts of an additional third lane. FEI would also repair damage caused by the decommissioning work in accordance with the Agreed Expanded Paving Specifications.

4 3.1 FEI states that it is committed to repairing any damage to Como Lake Avenue
5 resulting from the Project. Please confirm that FEI intends to leave Como Lake
6 Avenue in equal or better condition than it was immediately prior to the project.

7
8 **Response:**

9 FEI confirms that it intends to leave Como Lake Avenue in equal or better condition than it was
10 immediately prior to the Project in accordance the City's Paving Specifications and FEI's
11 obligations under the Operating Agreement.

12
13
14
15 3.1.1 Please comment on the actions that FEI would take if it were required to
16 pave 2 lanes, but damaged a third or fourth lane on the roadway.

17
18 **Response:**

19 If FEI were required to pave two lanes, but damaged a third or fourth lane on the roadway, FEI
20 would repair all damage caused by the work in accordance with the City's Paving Specifications.

21
22
23

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1 **4. Reference: Exhibit B-12, page 9 and 10**

At the 30 percent review stage on October 12, 2016, the City increased its requirements for pavement restoration beyond the City's Paving Specifications by requiring the depth of asphalt restoration in the Asphalt Key to be increased from 35 millimetres to 50 millimetres. The City provided a marked up copy of FEI's Engineering Drawings and set out its increased paving requirements on a typical trench drawing (see Appendix D). As part of FEI's ongoing efforts to obtain the City's approval of the Engineering Drawings, FEI increased the asphalt depth to 50 millimetres in the Asphalt Key on the portion of Como Lake Avenue that FEI anticipated would be disturbed by the construction activities as shown below in Figure 2-2 (reproduced as Appendix E).

2
3

1. Scenario 1: Paving and Restoration of the Trench and Asphalt Key (Operating Agreement and additional Asphalt Key depth);

2.4.1 Scenario 1: Paving and Restoration of the Trench and Additional Asphalt Key Depth

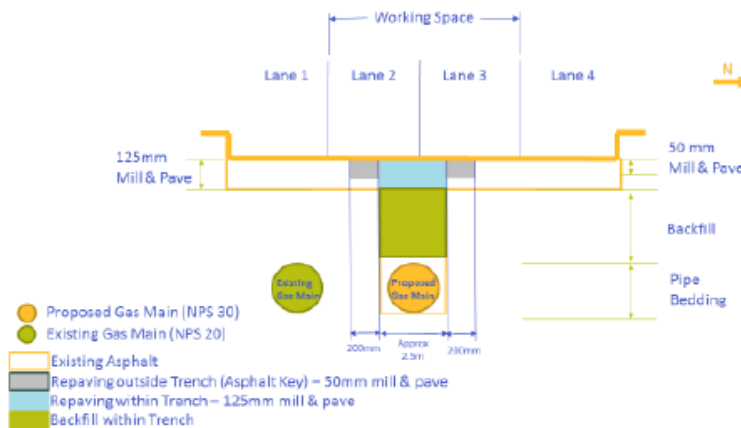
Scenario 1 satisfies FEI's obligations under the Operating Agreement and aligns with the City's Paving Specifications. It also includes an increase in the depth of the asphalt within the 200 millimetre Asphalt Key on either side of the trench from 35 millimetres to 50 millimetres (Agreed Expanded Paving Specifications). This scenario is based on FEI's expectation that the construction impact to pavement will be limited to the trench. The planned width of the trench is approximately 2.5 metres wide, which is less than the width of two lanes of roadway. In this scenario, the width of the trench is restored in accordance with the Agreed Expanded Paving Specifications. The restoration will be completed immediately following the installation of the NPS 30 IP gas line and before re-opening the road to general traffic. Therefore, this scenario

4

2.4.1.1 Technical Explanation

Under Scenario 1, the approximately 2.5 metres wide trench would be replaced with a full depth (125 millimetre) asphalt thickness comprised of two layers: a lower course layer that is 75 millimetres thick and an upper course layer that is 50 millimetres thick. Between each layer is an asphalt emulsion (tack coat). The Asphalt Key that is 200 millimetres wide on both sides of the trench width would be milled and paved to a depth of 50 millimetres. The total width of the restoration is equal to 2.9 metres (2.5 metres + 0.2 metres + 0.2 metres). Figures 2-3 and 2-4 illustrate Scenario 1.

Figure 2-3: Scenario 1: Cross Section Drawing



5

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1 4.1 What is the estimated increase in costs as a result of the asphalt depth
2 increasing from 35 mm to 50 mm?

3
4 **Response:**

5 Please refer to FEI's response to City Phase 2 IR 1.2.1. The minimum requirement for the
6 asphalt depth is 50 millimetres under the City's Paving Specifications for an arterial roadway
7 such as Como Lake Avenue.

8
9

10

11 4.1.1 Does paving that covers only a portion of a lane create issues for
12 motorists, roadway management or raise other concerns? Please
13 explain.

14
15 **Response:**

16 It is FEI's understanding that a seam in asphalt pavement is standard industry practice for
17 trench restoration for utility projects and has previously been accepted by the City for other third
18 party work. FEI does not anticipate that paving that covers only a portion of a lane will create
19 issues for motorists, roadway management or other concerns. Further, the Project pavement
20 restoration specifications meet the City's Paving Specifications.

21

22

23

24 4.1.2 Please explain why FEI expects that under the Operating Agreement it
25 should not be obligated to repave the full width of lanes 2 and 3.

26
27 **Response:**

28 As set out in the response to BCUC Phase 2 IR 2.12.1, Scenario 1 is based on FEI's
29 expectation that the construction impact will be limited to the trench. The planned width of the
30 trench is 2.5 metres wide, which is less than the two lanes of roadway. The width of the trench
31 will be restored in accordance with the City's Paving Specifications.

32

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1 **5. Reference: Exhibit B-12, page 29**

2 **3.3 NPS 20 IP GAS LINE REMOVAL COST ESTIMATE**

FEI developed cost estimates for the following three NPS 20 IP gas line removal scenarios:

- 5.5 kilometre NPS 20 IP gas line removal cost estimate ungrouted;
- 5.5 kilometre NPS 20 IP gas line removal cost estimate grouted; and
- 380 metre NPS 20 IP gas line removal cost estimate.

2

3 5.1 Please provide the +/- percentages expected with an ACE Class 5 Cost
4 Estimate.

5

6 **Response:**

7 The typical variation in expected accuracy range for ACE Class 5 Cost Estimate is -20%
8 to -50% for the low range and +30% to + 100% for the high range. The accuracy range for the
9 NPS 20 IP gas line removal ACE Class 5 cost estimate is approximately -50% to +100%.

10

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1 **6. Reference: Exhibit B-12, page 32**

$$\text{Municipality's Contribution} = \text{CAC} - [2\% \times \text{COI} \times (\text{YC} - \text{YOI})]$$

Where:

- CAC is equal to total cost of the required alteration of the gas piping in the current year (this would include the cost of temporary works, bypasses etc., i.e. all inclusive)
- COI is equal to the total cost of the original installation for the portion of the gas system being impacted and that will be removed
- YC is equal to the current year in 4 digits
- YOI is equal to the Year of original installation in 4 digits

2

3 6.1 Please provide the actual names for the acronyms above.

4

5 **Response:**

6 The actual names of the acronyms are provided below.

7 CAC – Cost of Alteration in the Current year (current year being the year in which the alteration
8 occurs or as used in the evidence Exhibit B-12 the future year the alteration would take place);

9 COI – Cost of Original Installation;

10 YC – Year, Current in which alteration takes place; and

11 YOI – Year of Original Installation.

12

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1 7. **Reference: Exhibit B-12, page 33 and 34**

The following table shows the Annualized Cost of Service and the Present Value of the incremental Cost of Service and provides the ratio of the impact of the City's demand relative to the formula contained in the Operating Agreement.

2
Table 3-6: Estimation of Original Cost, Number of Years Since Installation, Removal Costs and Cost Allocation

		High Cost		Low Cost	
		5.5 km	380 m	5.5 km	380 m
1	Original Installed Cost 2018\$ millions	\$25.1	\$1.7	\$14.1	\$1.0
2	Original Installed Cost 1957\$ millions	\$2.8	\$0.2	\$1.6	\$0.1
3	No. of Years: Year of Removal minus Year of Installation	67 Years	64 Years	67 Years	64 Years
4	Removal Costs 2021		\$9.4		\$9.4
5	Removal Costs 2024	\$77.5		\$77.5	
6	FEI's Allocation ¹⁷	\$3.8	\$0.2	\$2.1	\$0.1
7	City Allocation	\$73.7	\$9.2	\$75.4	\$9.3

3
 4
 As shown above, the City's contribution to removal costs for the NPS 20 IP gas line is expected to range from \$9.2 million to \$9.3 million for the 380 metre segment, and from \$73.4 million to \$75.7 million for the 5.5 kilometre segment.

The tables in this section summarize the cost of removal impacts on FEI's incremental cost of service and the average rate impact (\$ / GJ) on FEI's approximately 1 million natural gas customers. The column headed "Operating Agreement" contains the results if FEI was responsible for a portion of the removal costs as calculated using the Operating Agreement cost allocation formula. The column headed "City Demand" contains the results if FEI had to be responsible for all of the removal costs of the NPS 20 IP gas line.

5
 The following table shows the Annualized Cost of Service and the Present Value of the incremental Cost of Service and provides the ratio of the impact of the City's demand relative to the formula contained in the Operating Agreement.

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Table 3-7: Summary of Scenarios Annualized Cost of Service and Present Value of Incremental Cost of Service

	Operating Agreement \$000's	City Demand \$000's
Annualized Cost of Service		
Remove 5.5 km, Estimated Original Cost of \$25.1 million 2018\$	\$204	\$4,198
Remove 380 m, Estimated Original Cost of \$1.8 million 2018\$	\$13	\$509
Remove 5.5 km, Estimated Original Cost of \$14.1 million 2018\$	\$115	\$4,198
Remove 380 m, Estimated Original Cost of \$1.0 million 2018\$	\$8	\$509
Present Value of Incremental Cost of Service		
Remove 5.5 km, Estimated Original Cost of \$25.1 million 2018\$	\$3,403	\$69,926
Remove 380 m, Estimated Original Cost of \$1.7 million	\$225	\$8,479
Remove 5.5 km, Estimated Original Cost of \$14.1 million 2018\$	\$1,912	\$69,926
Remove 380 m, Estimated Original Cost of \$1.0 million 2018\$	\$126	\$8,479

1
2 7.1 In what ways, if any, would the decision made by the Commission in this instance
3 likely impact any of FEI's arrangements with other cities? Please explain.
4

5 **Response:**

6 The cost allocation between FEI and the City shown above in Table 3-6 is calculated in
7 accordance with the cost allocation formula in the Operating Agreement with the City.

8 There is no standard operating agreement that applies across the province between FEI and
9 municipalities, and the BCUC's decision has not yet been made on this matter. As a result, FEI
10 is not able to opine on how a decision made by the BCUC at a future date may impact FEI's
11 arrangements with other municipalities. However, FEI's position is that the treatment being
12 sought by the City is inconsistent with the existing Operating Agreement with the City and will
13 result in increased costs for FEI's customers.

14

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18 7.2 Please confirm or otherwise explain that the costs shown under Operating
19 Agreement in Table 3-7 are the costs that would accrue to FEI.
20

21

21 **Response:**

22 Confirmed. Also, if FEI is required to pay for all of the removal costs as per the City Demand
23 shown in the second column of Table 3-7, the estimated costs would also accrue to FEI.



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7.3 Please provide FEI’s estimates of the costs that would accrue to the City under the Operating Agreement, further to Line 7 of the City allocation.

Response:

Line 7 of Table 3-6 shows the estimated range of the City’s allocated share of the removal costs of the NPS 20 IP pipe, from \$73.7 to \$75.4 million for removal of 5.5 kilometres, and from \$9.2 to \$9.3 million for removal of 380 metres . Appendices G-1 through G-4 of Exhibit B-12 show how this cost has been allocated to the City (the City’s allocated cost is on Line 13 of each of the appendices – before rounding to millions).

Although the allocation of the removal costs will be as per the formula (Article 5 of the Operating Agreement), the actual costs accruing to the City could be more or less than what is shown in Line 7 of Table 3-6, which are *forecast* costs.

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1 **8. Reference: Exhibit B-12, page 36**

4. **CONCLUSION**

The City's demands with respect to both paving and removal of the NPS 20 IP gas line are inconsistent with the Operating Agreement and would have significant implications for FEI and its customers.

The City's demand for curb to curb repaving is estimated by FEI to result in an additional capital cost of approximately \$4.0 million more than if FEI were to repair damaged pavement in accordance with the Operating Agreement and the Agreed Expanded Paving Specifications. The levelized rate impact of the City's curb to curb paving demand is estimated by FEI to be \$0.002 per GJ.

FEI has estimated a \$8.2 million (2018\$) capital cost should the City request that FEI remove a 380 metre segment of the NPS 20 IP gas line, provided this occurs before the line has been grouted. FEI is prepared to remove all or portions of the NPS 20 IP gas line if the City exercises its rights under the Operating Agreement to request such a removal, which has not occurred.

If the cost allocation formula under the Operating Agreement is applied to the removal of the 380 metre segment, FEI estimates that FEI's contribution to the capital cost would range from \$0.1 million to \$0.2 million, with an estimated levelized rate impact of \$0.000 per GJ. However, if the cost allocation formula was not applied, and FEI was required to pay for the entire cost of the removal of the gas line, FEI estimates that the cost to FEI would be \$9.4 million, with an estimated levelized rate impact of \$0.003 per GJ.

If the cost allocation formula under the Operating Agreement was applied to the removal of the 5.5 kilometres of the NPS 20 IP gas line along Como Lake Avenue, FEI estimates that FEI's contribution to the capital cost would range from \$2.1 million to \$3.8 million, with an estimated levelized rate impact of \$0.001 per GJ. However, if the cost allocation formula was not applied, and FEI was required to pay for the entire cost of the removal of the gas line, FEI estimates that the cost to FEI would be \$77.5 million, with an estimated levelized rate impact of \$0.021 per GJ.

2

3 8.1 Has FEI requested that the City exercise its rights under the Operating
4 Agreement to request its preferred removal option, or received any comment
5 from the City with regard to the exercise of this right?

6

7 **Response:**

8 No, FEI has not requested that the City exercise its rights under the Operating Agreement. FEI
9 has consistently taken the position that it is willing to remove the NPS 20 IP gas line (in whole or
10 in part) in accordance with the provisions of the Operating Agreement.

11 The City has not requested that FEI remove the NPS 20 IP gas line (in whole or in part) in
12 accordance with the provisions of the Operating Agreement. Rather, the City has taken the



FortisBC Energy Inc. (FEI or the Company) Application for Use of Lands under Sections 32 and 33 of the <i>Utilities Commission Act</i> in the City of Coquitlam for the Lower Mainland Intermediate Pressure System Upgrade Projects (the Application)	Submission Date: December 5, 2018
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1 position that FEI should bear the costs of such removal and conditioned its approval of the
2 Engineering Drawings for the NPS 30 IP gas line on FEI agreeing to remove the NPS 20 IP gas
3 line at FEI's sole expense. FEI informed the City that it could not agree to such a request
4 because it represented a departure from the cost allocation provisions in the Operating
5 Agreement and would result in FEI incurring significant unwarranted costs that would have to be
6 recovered by our customers.

7
8

9
10 8.1.1 If yes, please provide the City's response.

11
12 **Response:**

13 Please refer to the response to CEC Phase 2 IR 1.8.1.

14
15
16

17 8.1.2 If no, please explain why not.

18
19 **Response:**

20 Please refer to the response to CEC Phase 2 IR 1.8.1.