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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** C-4-06

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**IN THE MATTER OF  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

**and**

**An Application by British Columbia Transmission Corporation  
for a Certificate of Public Convenience and Necessity  
for the Vancouver Island Transmission Reinforcement Project**

**BEFORE:** R.H. Hobbs, Chair  
N.F. Nicholls, Commissioner July 7, 2006  
L.A. O'Hara, Commissioner

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

**WHEREAS:**

- A. By application dated July 7, 2005, the British Columbia Transmission Corporation ("BCTC") requested that the British Columbia Utilities Commission (the "Commission") grant a Certificate of Public Convenience and Necessity ("CPCN") pursuant to Sections 45 and 46 of the Utilities Commission Act (the "Act"), for the Vancouver Island Transmission Reinforcement Project (the "VITR") to reinforce the electric transmission system serving Vancouver Island and the Southern Gulf Islands (the "VITR Application"); and
- B. By Order No. G-70-05, the Commission established a Procedural Conference on August 4, 2005 regarding the regulatory process for the review of the VITR Application; and
- C. By Order No. G-72-05, the Commission Panel established the Regulatory Timetable that included a Pre-hearing Conference, Town Hall Meetings, and an Oral Hearing to review the VITR Application; and
- D. On September 30, 2005 Sea Breeze Regional Transmission System, Inc. [now Sea Breeze Victoria Converter Corporation ("Sea Breeze")] filed a CPCN application (the "VIC Application") for the Vancouver Island Cable Project (the "VIC") and requested that the Commission confirm the consolidation of the review of its VIC Application with the BCTC VITR proceeding. The Commission issued a separate procedural Order No. G-97-05 to initiate the regulatory review of the Sea Breeze VIC Application; and
- E. By Order No. G-96-05, the Commission Panel revised the Regulatory Timetable for the review of the VITR Application, established Pre-hearing Conference No. 2 for October 21, 2005 and ordered Sea Breeze to file any further motion that it desired to be considered at Pre-hearing Conference No. 2; and
- F. Following Pre-hearing Conference No. 2, the Commission Panel issued Order No. G-109-05 that established a Revised Regulatory Timetable for the review of the VITR Application which assumed that a consolidated process would be used to review the VITR and VIC Applications, and established Pre-hearing Conference No. 3 for November 10, 2005; and

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- G. By letter dated November 8, 2005 Tsawwassen Residents Against High Voltage Overhead Lines (“TRAHVOL”) filed a complaint pursuant to Section 25 of the Act that the continued operation of the existing 138 kilovolt lines through Tsawwassen is unreasonable, unsafe, inadequate or unreasonably discriminatory, and requested that the Commission hold a hearing into the complaint; and
- H. At Pre-hearing Conference No. 3 the Chair granted the application by Sea Breeze for the consolidation of the proceedings for the VITR Application and the VIC Application, and maintained the Revised Regulatory Timetable that was established by Order No. G-109-05. In addition, counsel for TRAHVOL accepted a proposal by the Panel Chair that the TRAHVOL Section 25 complaint be considered within the scope of the proceeding to review the VITR and VIC Applications; and
- I. By Order No. G-141-05, the Commission Panel issued a Revised Regulatory Timetable for the proceeding, which delayed the start of the Public Hearing to February 6, 2006; and
- J. Town Hall Meetings were held on Salt Spring Island on January 7, 2006 and in Tsawwassen on January 14, 2006; and
- K. Opening Oral Submissions took place on January 30, 2006 and Submissions on the Proponent Consolidation of the Hearing Issues List took place on February 1, 2006; and
- L. The Hearing Issues List was issued on February 3, 2006, and the Public Hearing commenced on February 6, 2006 in Vancouver; and
- M. Sea Breeze withdrew its VIC Application on March 1, 2006; and
- N. The evidentiary phase of the proceeding closed on March 23, 2006; and
- O. By letter dated March 27, 2006, the Commission approved a request from BCTC to strike evidence from the record due to the withdrawal of the Sea Breeze VIC Application; and
- P. The Written Argument phase of the proceeding was completed when BCTC filed its Reply Submission on May 16, 2006; and
- Q. The Oral Phase of Argument, including submissions regarding motions by a number of parties, was heard on May 30 and 31, 2006; and
- R. The Commission Panel has considered the VITR Application and the evidence and submissions presented on the Application and has determined that it is in the public interest that a CPCN be issued to BCTC for the VITR as modified by and subject to the conditions and directions set out in this Order and the Decision that is issued concurrently with it.

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**NOW THEREFORE** pursuant to Sections 45 and 46 of the Act the Commission orders as follows:

1. A Certificate of Public Convenience and Necessity is granted to BCTC for the VITR as described in the VITR Application and modified by the Decision issued concurrently with this Order, including overhead construction of the line in Tsawwassen and on the Gulf Islands. The CPCN is subject to the condition that the modified cost control/incentive mechanism described in Section 9 of the Decision apply to the project.
2. BCTC file for Commission approval, within the earlier of 30 days after signing the cable tender contract or 90 days of the date of this Order, final P10 and P90 nominal dollar cost estimates for VITR as described in Section 9 of the Decision that reflect the routing approved in the Decision issued concurrently with this Order and the signed cable tender contract.
3. BCTC comply with the directions of the Commission in the Decision issued concurrently with this Order, including the establishment of separate accounts to record conforming and non-conforming restoration costs.
4. BCTC file with the Commission quarterly progress reports on the VITR project schedule and costs, followed by a final report on project completion. BCTC will determine the form and content of the reports in consultation with Commission staff.
5. The TRAHVOL complaint filed by letter dated November 8, 2005 and made pursuant to Section 25 of the Act is dismissed.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 7<sup>th</sup> day of July 2006.

BY ORDER

*Original signed by:*

Robert H. Hobbs  
Chair