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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** C-7-07

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

and

**An Application by FortisBC Inc.
for a Certificate of Public Convenience and Necessity
for the Black Mountain Substation Project**

BEFORE: L.F. Kelsey, Panel Chair & Commissioner
L.A. O'Hara, Commissioner July 9, 2007

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

WHEREAS:

- A. On December 19, 2006 FortisBC Inc. ("FortisBC") applied (the "Application") to the British Columbia Utilities Commission ("Commission") for a Certificate of Public Convenience and Necessity ("CPCN") for the Black Mountain Substation Project ("the Project"); and
- B. FortisBC states that the Project is required to serve the growing load in the Black Mountain area of east Kelowna, as well as to maintain regional reliability and reduce the risk to the bulk power supply in the Kelowna area; and
- C. The Project consists of a new distribution substation, complete with a 138 kV ring bus, 138 kV/13 kV 32 MVA transformer and three distribution feeder circuits, one of which is new and will require approximately two kilometers of new right-of-way; and
- D. During the proceeding, FortisBC revised its proposed site for the substation and the routing for the new section of distribution feeder, increased the cost estimate for the Project from \$11.96 million to \$14.43 million and extended the scheduled in-service time to the first quarter of 2009; and
- E. The Commission, pursuant to Commission Order No. G-4-07, held a Pre-hearing Conference in Kelowna on Monday, February 19, 2007 to hear submissions on the regulatory process for the review of the Project; and

- F. By Order No. G-18-07 dated February 22, 2007, the Commission established a Regulatory Timetable and Hearing Issues list for the regulatory review of the Application that included an oral public hearing on May 16, 2007; and
- G. FortisBC, the Regional District of Central Okanagan, and Barb and Ken Redlick and Joan Morgan filed Final Submissions; and
- H. FortisBC filed its Reply Submission on June 8, 2007; and
- I. The Commission has considered the 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 FortisBC for the Project subject to the conditions and directions set out in this Order and the Decision that is issued concurrently with it.

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

1. A CPCN is granted to FortisBC for the Black Mountain Substation Project set out in the Application, as revised in the proceeding and described in the Decision that is issued concurrently with this Order.
2. The Commission approves Site 7 for the construction of the Substation and the overhead routing of Distribution Feeder 3 generally along existing transmission and distribution rights-of-way, as revised by FortisBC and described in the Decision that is issued concurrently with this Order.
3. FortisBC is directed to file with the Commission quarterly progress reports on the Project showing planned versus actual schedule, planned versus actual costs, and any variances or difficulties that the project may be encountering. The quarterly progress reports will be filed within 30 days of the end of each reporting period.

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4. FortisBC is directed to file with the Commission a Final Report within three months of the end or substantial completion of the Project that provides a complete breakdown of the final costs of the Project, compares these costs to the revised cost estimate and provides a detailed explanation and justification of all material cost variances.
5. Subject to paragraphs 3 and 4 of this Order, the format and content of the reports required by this Order will be determined by FortisBC in consultation with Commission staff, or by determination of the Commission.
6. FortisBC will comply with the directions of the Commission in the Decision that is issued concurrently with this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of July 2007.

BY ORDER

Original signed by:

L.F. Kelsey
Panel Chair & Commissioner