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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-163-07

TELEPHONE: (604) 660-4700
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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**An Application by an Application by
British Columbia Transmission Corporation
for Approval to Incur Capital Expenditures to Construct the
5L51 and 5L52 Thermal Upgrade Project**

BEFORE: R.H. Hobbs, Chair
L.A. O'Hara, Commissioner December 24, 2007

O R D E R

WHEREAS:

- A. On December 12, 2007, British Columbia Transmission Corporation ("BCTC") applied, pursuant to section 45(6.2)(b) of the Utilities Commission Act, RSBC 1996, c.473 and as directed in the F2008 Capital Plan Decision, for public interest approval of capital expenditures for a thermal upgrade of transmission circuits 5L51 and 5L52 (the "Thermal Upgrade Project"); and
- B. The Thermal Upgrade Project involves upgrading the 500 kV 5L51 and 5L52 transmission circuits that comprise the Ingledow-Custer transmission tie, also referred to as the western tie of the B.C.-U.S. intertie. The circuits connect the Ingledow substation in the BCTC Control Area to the Custer substation in the Bonneville Power Administration ("BPA") Control Area. By increasing the circuit ratings of 5L51 and 5L52 from 2,520 and 2,000 Amperes respectively, to 3,000 Amperes, the upgrade will result in an additional 870 Megawatts ("MW") of south-to-north firm transmission capacity on the B.C.-U.S. intertie, thereby accruing net benefits to ratepayers from the sale of additional transmission services to market participants; and
- C. The estimated cost for the Thermal Upgrade Project is \$3.1 million based on the preferred Upgrade Option 2 and the expected in-service date is March 31, 2010; and
- D. Special Direction No. 9 ("SD-9") authorizes the Commission to consider, as part of the justification for investment in new transmission facilities, the anticipated future demand for electricity and electricity services. The SD-9 also authorizes the Commission to allow the recovery of costs from current rates, which are justified based on future benefits from proposed equipment or facilities; and
- E. While the Thermal Upgrade Project is the first project to be advanced for approval under BCTC's Transmission Expansion Policy ("TEP"), BCTC is not seeking approval of the TEP or its TEP implementation plan; and

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-163-07

2

- F. National Energy Board (“NEB”) public interest approval for the project is required before construction can commence because 5L51 and 5L52 are international power lines; and
- G. BCTC proposes to seek NEB approval for the Thermal Upgrade Project only if the Commission grants the relief sought in this Application; and
- H. Considering the estimated cost, size and unique nature of the Thermal Upgrade Project, the Commission has determined that the regulatory review of the Application should proceed by a Written Public Hearing.

NOW THEREFORE pursuant to Sections 45(6.2) (b) of the Utilities Commission Act, the Commission orders as follows:

1. The Commission establishes a Written Public Hearing process for the review of the BCTC Application according to the Regulatory Timetable set out in Appendix A to this Order.
2. BCTC will publish, as soon as it is possible to do so, in display ad format, the Notice of Application and Written Public Hearing attached as Appendix B to this Order in local news publications that will provide adequate notice to the public in the vicinity of the Project.
3. Persons wishing to be Intervenor or Interested Parties in the proceeding should register, in writing, with the Commission by Thursday, January 17, 2008.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of December 2007.

BY ORDER

Original signed by

Robert H. Hobbs
Chair

Attachments

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5L51 and 5L52 Thermal Upgrade Project

REGULATORY TIMETABLE

ACTION	DATE (2008)
Intervenor and Interested Party Registration	Thursday, January 17
Commission Information Requests	Thursday, January 24
Intervenor Information Requests	Thursday, January 31
BCTC Responses to Information Requests	Thursday, February 14
Intervenor Participant Assistance Budgets	Friday, February 15
BCTC Final Written Submission	Friday, February 29
Intervenor Final Written Submissions	Friday, March 7
BCTC Reply Written Submission	Friday, March 14



**An Application by the
British Columbia Transmission Corporation
for Approval to Incur Capital Expenditures to Construct the
5L51 and 5L52 Thermal Upgrade Project**

**NOTICE OF APPLICATION
AND
WRITTEN PUBLIC HEARING**

THE APPLICATION

On December 12, 2007, British Columbia Transmission Corporation ("BCTC") applied, pursuant to section 45(6.2)(b) of the Utilities Commission Act, and as directed by the Commission, for public interest approval of capital expenditures for a thermal upgrade of transmission circuits 5L51 and 5L52 (the "Thermal Upgrade Project").

The Thermal Upgrade Project involves upgrading the 500 kV 5L51 and 5L52 transmission circuits that comprise the Ingledow - Custer transmission tie, also referred to as the western tie of the B.C.-U.S. intertie. The upgrade will result in an additional 870 Megawatts of south-to-north firm transmission capacity on the B.C.-U.S. intertie. The estimated cost for the Thermal Upgrade Project is \$3.1 million, and the expected in-service date is March 31, 2010.

Field work required for the project involves the raising of ten existing towers, installation of one new tower and re-tensioning of the conductors on three spans. No ground contour work or substation work is required, and there will be no plant retirements or removal of assets. The proposed field work is to be performed on the transmission line between Ingledow Substation located at 12430 88th Ave., Surrey, B.C. and Bonneville Power Administration Custer Substation located at 7357 Portal Way in Custer, WA.

National Energy Board ("NEB") public interest approval for the project is nevertheless required before construction can commence because 5L51 and 5L52 are international power lines. BCTC proposes to seek NEB approval for the Thermal Upgrade Project only if the Commission grants the relief sought in this Application.

THE REGULATORY PROCESS

Commission Order No. G-163-07 established the Regulatory Timetable for the review of the Application by way of a Written Public Hearing.

The detailed Regulatory Timetable can be reviewed on the Commission's website <http://www.bcuc.com>
>Proceedings&Agendas>Current Applications.

INTERVENTIONS

Persons who expect to actively participate in the BCTC proceeding should register as Intervenor with the Commission, in writing, by Thursday, January 17, 2008 identifying their interest in the Application. Intervenor will receive copies of the Application as well as all correspondence and filed documentation and should provide an e-mail address if available.

Persons not expecting to actively participate in the BCTC proceeding, but who have an interest in the Application, should register as Interested Parties with the Commission, in writing, by Thursday, January 17, 2008 identifying their interest in the Application. Interested Parties will receive a copy of the Executive Summary of the Application and all Orders issued.

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission's web site.

PUBLIC INSPECTION OF THE DOCUMENTS

The Application and supporting materials will be available for inspection at the following locations:

British Columbia Transmission Corporation
PO Box 49260
Suite 1100, Four Bentall Centre
1055 Dunsmuir Street
Vancouver, BC V7X 1V5
Attention: Marcel Reghelini, Director, Regulatory Affairs

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, BC V6Z 2N3
Telephone: 1-800-663-1385
<http://www.bcuc.com>

FURTHER INFORMATION

For further information, please contact Erica Hamilton, Commission Secretary or Mr. Donald Flintoff, Senior Electrical Engineer, Engineering and Energy Markets as follows:

Commission Secretary
Telephone: (604) 660-4700
Facsimile: (604) 660-1102
E-mail: Commission.Secretary@bcuc.com
BC Toll Free: 1-800-663-1385

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