

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-108-08

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

**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 Copper Conductor Replacement Project**

BEFORE: L.F. Kelsey, Commissioner July 4, 2008

O R D E R

WHEREAS:

- A. On June 27, 2008, FortisBC Inc. ("FortisBC") applied (the "Application") to the British Columbia Utilities Commission (the "Commission") for a Certificate of Public Convenience and Necessity ("CPCN") for the Copper Conductor Replacement Project (the "CCR Project") as described in the Application; and
- B. The CCR Project consists of replacement of all No. 8, No. 6 and 90 MCM Copper Distribution Conductors with Aluminum Conductor Steel Reinforced ("ACSR") Conductor; assessment of poles for age and safety and replacement subject to the assessment result; updates to Geographic Information Systems Database; standardization as per FortisBC existing standards for distribution lines; and disposal of the replaced copper conductors through sale; and
- C. The CCR Project is expected to start in the first quarter of 2009 and be completed by the fourth quarter of 2018, with estimated capital expenditures of approximately \$102 million, including the cost of removals, over the ten year life of the project. The net present value ("NPV") of the Project is estimated at approximately \$59 million with an estimated NPV of Customer Rate Impact at 0.15 percent. Although the Company is seeking approval of the CCR Project, it is only seeking expenditure approval out to 2010 as set out in the Application totaling \$11.7 million. The Company will seek further approval for future expenditures beyond 2010 in its future Capital Expenditure Plans; and
- D. FortisBC proposes a written hearing process to review the Application; and
- E. The Commission considers that a written public hearing is required for the regulatory review of the Application.

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NOW THEREFORE the Commission orders as follows:

1. The Commission establishes a Written Public Hearing process for the review of the Application, and establishes the Regulatory Timetable attached as Appendix A.
2. FortisBC is to conduct a Workshop on Tuesday, August 12, 2008 regarding the Copper Conductor Replacement Project Application and the Workshop will be held at the Manteo Resort, 3762 Lakeshore Road, Kelowna, British Columbia.
3. FortisBC will publish, as soon as possible, in display-ad format, Notice of Application and Workshop, and a brief description of the proposed project, attached as Appendix B, in sufficient newspapers in the FortisBC service area to adequately inform the public of the Application.
4. Persons wishing to attend the Workshop should register with the Commission, in writing or electronic submission, by Friday, July 25, 2008.
5. Intervenors and Interested Parties wishing to participate in the Written Public Hearing process should register with the Commission, in writing or electronic submission, by Wednesday, August 13, 2008.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of July 2008.

BY ORDER

Original signed by

L.F. Kelsey
Commissioner

Attachments

An Application by FortisBC Inc.
for a Certificate of Public Convenience and Necessity
for the Copper Conductor Replacement Project

REGULATORY TIMETABLE

ACTION	DATE (2008)
Commission Information Request No. 1	Tuesday, July 15
Workshop Registration with the Commission	Friday, July 25
FortisBC Responses to Commission Information Request No. 1	Thursday, August 7
FortisBC Workshop with Stakeholders at the Manteo Resort in Kelowna, B.C.	Tuesday, August 12
Registration of Intervenors and Interested Parties with the Commission	Wednesday, August 13
Intervenor Participant Assistance Budgets	Friday, August 15
Commission Information Request No. 2 and Intervenor Information Request No. 1	Thursday, August 28
FortisBC Responses to Commission Information Request No. 2 and Intervenor Information Request No. 1	Thursday, September 11
FortisBC Final Submission	Tuesday, September 16
Intervenor Final Submission	Monday, September 22
FortisBC Reply Submission	Monday, September 29



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NOTICE OF APPLICATION AND WORKSHOP

An Application by FortisBC Inc.
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DATE:	Tuesday, August 12, 2008
TIME:	2:00 p.m. – 4:00 p.m.
LOCATION:	Manteo Resort 3762 Lakeshore Road Kelowna, B.C.

THE APPLICATION

On June 27, 2008, FortisBC Inc. ("FortisBC") applied (the "Application") to the British Columbia Utilities Commission (the "Commission") for a Certificate of Public Convenience and Necessity for the Copper Conductor Replacement Project (the "Project").

The proposed Project will address safety concerns and system reliability incidents that are the result of distribution copper conductor failures. Generally, the Project consists of the replacement of all No. 8, No. 6 and 90 MCM Copper Distribution Conductors with Aluminium Conductor Steel Reinforced Conductors and the assessment of poles for age and safety and replacement subject to the assessment result.

The Project is expected to start in the first quarter of 2009 and be completed by the fourth quarter of 2018, with estimated capital expenditures of approximately \$102 million, including the cost of removals, over the ten-year life of the project. The net present value of the Project is estimated at approximately \$59 million with an estimated Customer Rate Impact at 0.15 percent. Although FortisBC is seeking approval of the Project, it is only seeking expenditure approval out to 2010 as set out in the Application totalling \$11.7 million. FortisBC will seek further approval for future expenditures beyond 2010 in its future Capital Expenditure Plans.

THE REGULATORY PROCESS

The Commission has established a Regulatory Timetable for a Workshop at the Manteo Resort in Kelowna, B.C., Tuesday, August 12, 2008 and a Written Public Hearing process to review the Application.

WORKSHOP

Persons wishing to attend the FortisBC Workshop should notify the Commission, in writing or electronic submission, no later than Friday, July 25, 2008.

INTERVENTION

Persons who expect to actively participate in the FortisBC proceeding should register as Intervenor with the Commission, in writing or electronic submission, no later than Wednesday, August 13, 2008. Intervenor is requested to identify their interest in the Application. Intervenor will each receive a copy of the Application and all correspondence and filed documentation in accordance with the Commission's Document Filing Protocols.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as Interested Parties with the Commission, in writing, by the same date. Interested Parties will receive a copy of the Application's Executive Summary and the Commission's Decision when 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 at www.bcuc.com. The Commission Panel in a proceeding may award costs for participation, pursuant to the Participant Assistance/Cost Award Guidelines, under Section 118 of the Utilities Commission Act. The Guidelines are available at www.bcuc.com/Guidelines.aspx. Participants intending to apply for participant assistance must file a budget by Friday, August 15, 2008.

PUBLIC INSPECTION OF THE DOCUMENTS

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

FortisBC Inc.

Head Office
1975 Springfield Road, Suite 100
Kelowna, B.C. V1Y 7V7

British Columbia Utilities Commission

Sixth Floor, 900 Howe Street
Vancouver, B.C. V6Z 2N3
Telephone: 1-800-663-1385

FortisBC Inc.

Trail Office
1290 Esplanade
Trail, B.C. V1R 4L4

Internet

www.fortisbc.com
www.bcuc.com

Public Libraries

Castlegar, Creston, Grand Forks, Kelowna, Oliver,
Osoyoos, Penticton and Trail, B.C.

FURTHER INFORMATION

For further information, please contact Ms. Erica Hamilton, Commission Secretary as follows:

Telephone: (604) 660-4700
Facsimile: (604) 660-1102

B.C. Toll Free 1-800-663-1385
E-Mail: commission.secretary@bcuc.com