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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER C-6-08**

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

and

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

BEFORE: A.W.K. Anderson, Commissioner
and Panel Chair
A.J. Pullman, Commissioner
M.R. Harle, Commissioner

December 10, 2008

O R D E R

WHEREAS:

- A. On May 8, 2008, pursuant to the Utilities Commission Act, the British Columbia Transmission Corporation ("BCTC") filed an Application ("Application") for a Certificate of Public Convenience and Necessity ("CPCN") to construct and operate the Central Vancouver Island Transmission Project (the "CVI Project"); and
- B. BCTC proposes the CVI Project as the preferred solution to alleviate capacity constraints in the Central Vancouver Island area; and
- C. The CVI Project has an estimated capital cost of approximately \$100 million, which includes the construction of a new Harewood West substation, and the construction of a new transmission line, approximately 12 km in length, following a route described as the Harewood South route; and
- D. By Order G-82-08 dated May 16, 2008, the Commission established a Procedural Conference in Nanaimo, BC on June 12, 2008 to seek input on the regulatory process for the review of the Application; and
- E. The Commission considered the input received at the Procedural Conference, and concluded that further information regarding the status of the application by BCTC to the Integrated Land Management Bureau ("ILMB") with respect to Block 271 would be helpful prior to making a determination on whether the review of the Application should proceed by a written or oral hearing process; and
- F. By Order G-106-08 dated June 26, 2008, the Commission established a Community Input Session in Nanaimo, BC on July 17, 2008 to seek input on the regulatory process for the review of the Application; and

- G. The Commission considered the information received at the Community Input Session, and concluded that further information regarding the review of the Application was required; and
- H. By Order G-117-08 dated August 11, 2008, the Commission established an amended Regulatory Timetable and sought Intervenor submissions on whether or not the Application should proceed by a Written or Oral hearing process; and
- I. The Commission received responses from Jeanette Pongratz-Doyle, Maureen Young, British Columbia Hydro and Power Authority ("BC Hydro"), the BC Old Age Pensioners Organization *et al.* and BCTC; and
- J. In the responses to information requests filed September 11, 2008 and in amendments to its Application filed September 15, 2008 BCTC modified its preferred alignment for the Harewood South route from an alignment through a part of Block 271 and through Provincial crown land south and east of lands occupied by the Department of National Defence ("DND Lands") to an alignment through Block 271 and through Provincial crown land west and north of the DND Lands, subject to tenure being received for the use of those Provincial crown lands; and
- K. On September 24, 2008 BCTC confirmed that the ILMB issued a Tenure Offer to BC Hydro for Crown Land for parts of District Lot 1 E&N and Block 271; and
- L. By Order G-137-08 dated September 24, 2008 the Commission established an Regulatory Timetable for the review of the Application by a Written hearing process; and
- M. Submissions in the proceeding concluded with BCTC's Reply Submission on October 24, 2008; and
- N. The Commission Panel has considered the Application and the evidence and submissions in the proceeding and has determined that the CVI Project is in the public interest and that a CPCN be issued to BCTC for the CVI Project for the reasons set out in the Reasons for Decision that accompany this Order.

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

- 1. A Certificate of Public Convenience and Necessity is granted to BCTC for construction and operation of the CVI Project following the Harewood South route, with the transmission line in the vicinity of the community of South Forks aligned as follows:
 - a. through a part of Block 271 and through Provincial crown lands west and north of the DND Lands, subject to a ILMB tenure offer for the use of those Provincial crown lands being received by May 29, 2009; or

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- b. if tenure for the Provincial crown land west and north of the DND Lands is not received by May 29, 2009, then through a part of Provincial crown land within Block 271 and through the Provincial crown land south and east of the DND Lands.
2. BCTC will advise the Commission by June 1, 2009 if a tenure offer from ILMB has been received for use of the Provincial crown land west and north of the DND Lands.
3. BCTC shall comply with directions of the Commission Panel in the Decision that accompanies this Order.
4. BCTC shall file with the Commission Quarterly Progress Reports on the CVI Project showing planned versus actual schedule, planned versus actual costs, and any variances or difficulties that the CVI Project may be encountering. The Quarterly Progress Reports will be filed within 30 days of the end of each reporting period and will be generally as set out in Appendix A to this Order.
5. BCTC shall file with the Commission a Final Report, within six months of the end or substantial completion of the CVI Project, that provides a complete breakdown of the final costs of the CVI Project, compares these costs to the updated cost estimate, and provides a detailed explanation and justification of all material cost variances.
6. Subject to paragraphs 4 and 5 of this Order, the format and content of the Progress Reports and the Final Report will be determined by BCTC in consultation with Commission staff, or by determination of the Commission.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of December 2008.

BY ORDER

Original signed by:

A.W.K. Anderson
Commissioner and Panel Chair

Attachments

An Application by the British Columbia Transmission Corporation
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- 2.1.1 Project “S” Curve and schedule showing the budget at completion, actual cost to date, estimate to completion, estimate at completion, cost variance between estimated and budgeted cost at completion, schedule variance, percent budget spent, and percent complete. All values are to be shown in each report throughout the duration of the project.

3. Project Schedule

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4. Project Costs

- 4.1.1 Project Cost Summary including explanation of variances using the format in Exhibit B-9, BCTC IR 3.113.2 response.
- 4.1.2 Financial Summary including explanation of variances
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5. Project Resource Management

- 5.1.1 Engineering Resources (Man-hours, Planned vs. Actual – non- cumulative) both in chart and table format. Provide explanation for variance and corrective action taken.
- 5.1.2 Construction Resources (Man-hours, Planned vs. Actual – non-cumulative) both in chart and table format. Provide explanation for variance and corrective action taken.

6. Project Risks

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7. Stakeholder or First Nations Issues

- 7.1.1 An ongoing cost report of all existing and new issues using the updated cost estimate as a budget. For each issue, the report should show “amount in capital budget”, “spent to date”, “estimate to complete”, “forecast total to complete”, and “variance”.
- 7.1.2 An Explanation of new issues and variances will be provided.

LIST OF TABLES

Table 1	Project Milestones
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