

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER C-4-08**

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

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



**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
Interior to Lower Mainland Transmission Project**

BEFORE: R.H. Hobbs, Panel Chair and Commissioner
N.F. Nicholls, Commissioner August 5, 2008
A.J. Pullman, Commissioner

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

WHEREAS:

- A. On November 5, 2007, the British Columbia Transmission Corporation ("BCTC") applied (the "Application") pursuant to sections 45 and 46 of the Utilities Commission Act (the "Act") for a Certificate of Public Convenience and Necessity ("CPCN") for the Interior to Lower Mainland ("ILM") Transmission Project (the "ILM Project"); and
- B. The purpose of the ILM Project is to reinforce the electric transmission system to increase the transmission capability of the ILM grid, and consists of a proposed new 500 kV alternating current transmission line, designated 5L83, between Nicola substation near Merritt and Meridian substation in Coquitlam, a new 500 kV series capacitor station which would be located approximately at the midpoint of the new 500 kV circuit, circuit terminations at each of Nicola and Meridian substations, and necessary telecommunications, protection and control equipment.; and
- C. The new transmission line would parallel the existing 5L82 transmission line for most of the new circuit's approximately 246 km length and would be primarily on existing Right of Way, however, the specific alignment will be determined after the Environmental Assessment Certificate Application process and further public and First Nations consultation; and
- D. The ILM Project has an estimated cost of \$602 million, excluding First Nations accommodation costs, environmental mitigation and compensation costs, and costs for legal challenges, with an accuracy level of +30 percent to -10 percent, which is also the P50 estimated cost, and a target in-service date of fall 2014; and

- E. By Order G-137-07 dated November 7, 2007 the Commission determined an Oral Public Hearing was required for regulatory review of the Application, and scheduled a Procedural Conference for December 20, 2007 to address certain procedural issues; and
- F. By Order G-172-07 dated December 21, 2007 the Commission established an amended regulatory timetable that included three community input sessions, a second Procedural Conference for March 25, 2008 and an Oral Public Hearing to commence April 14, 2008; and
- G. By letter dated February 21, 2008 the Commission determined that it need not consider the adequacy of consultation and accommodation efforts on the ILM Project as part of its determinations in deciding whether to grant a CPCN for the ILM Project, which letter was followed by Reasons for Decision contained in Letter L-6-08 dated March 5, 2008; and
- H. By letters dated March 4, 2008 and March 12, 2008 the Commission cancelled the community inputs sessions at Harrison Hot Springs, Coquitlam, and Merritt because of the low number of scheduled presentations and provided for those parties interested in making presentations the opportunity to do so at the Oral Public Hearing; and
- I. By letter dated March 13, 2008 the Commission denied the request of the Kwikwetlem First Nation for the Commission to exercise its discretion, pursuant to section 102(2) of the Act, to suspend the hearing; and
- J. By Order G-61-08 dated March 28, 2008 the Commission determined that the ILM proceeding could be completed as a written process, and issued an amended regulatory timetable without an Oral Public Hearing component; and
- K. BC Hydro, the Independent Power Producers Association of British Columbia, the British Columbia Old Age Pensioners' Organization et al. ("BCOAPO"), the Joint Industry Electricity Steering Committee, the City of Abbotsford, Messrs. Harris and Casselman, and the Nlaka'pamx filed Final Submissions; and
- L. By letter dated May 21, 2008 the Commission denied the application of BCOAPO for an adjournment of the proceeding pending the outcome of certain B.C. Court of Appeal decisions; and
- M. BCTC filed its Reply Submission on June 3, 2008; and
- N. By letter dated June 17, 2008 the Commission cancelled the Oral Phase of Argument, and determined that the proceeding was concluded subject to the disposition of a leave application from Messrs. Harris and Casselman; and
- O. By Letter L-30-08 dated June 23, 2008 the Commission denied the application for leave from Messrs. Harris and Casselman; and

- P. The Commission has considered the ILM Project 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 ILM Project subject to the conditions and directions set out in the Order and Decision.

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 ILM Project as described in the Application, subject to the following conditions:
 - 1.1 BCTC is to file the Update Report in accordance with the Decision issued concurrently with this Order, and
 - 1.2 the P50 cost estimate (\$2014) that is to be filed with the Update Report is equal to or less than \$725 million (\$2014). The P50 cost estimate is to be calculated on a basis consistent with the calculation of the P50 cost estimate in the Application, and is to include First Nations accommodation costs, costs arising from the EAC requirements, and legal costs arising from CPCN or EAC appeals.
2. BCTC is directed to file with the Commission Quarterly Progress Reports on the ILM Project showing planned vs. actual schedule, planned vs. actual costs, and any variances or difficulties that the ILM Project may be encountering. The Quarterly Progress Reports will be filed within 30 days of the end of each reporting period.
3. BCTC is directed to file with the Commission a Final Report within six months of the end or substantial completion of the ILM Project that provides a complete breakdown of the final costs of the ILM Project, compares these costs to the P50 cost estimate that is to be filed with the Update Report and provides a detailed explanation and justification of all material cost variances.
5. BCTC is directed to comply with the directions of the Commission set out in the Decision issued concurrently with this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 5th day of August 2008.

BY ORDER

Original signed by:

Robert H. Hobbs
Panel Chair and Commissioner