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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-144-12**

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

and

An Application by British Columbia Hydro and Power Authority
for a Certificate of Public Convenience and Necessity for the
Dawson Creek/Chetwynd Area Transmission Project

BEFORE: L.A. O'Hara, Panel Chair/Commissioner
C.A. Brown, Commissioner October 10, 2012
D.M. Morton, Commissioner

O R D E R

WHEREAS:

- A. On July 11, 2011, British Columbia Hydro and Power Authority (BC Hydro) applied (the Application) pursuant to subsection 46(1) of the *Utilities Commission Act* (the Act) to the British Columbia Utilities Commission (Commission) for a Certificate of Public Convenience and Necessity (CPCN) to construct and operate the Dawson Creek/Chetwynd Area Transmission Project (the Project) as described in the Application;
- B. The Project is located in the Dawson Creek/Chetwynd area of north east British Columbia. Transmission capacity is needed in this area to enhance the quality of service to existing customers and to meet increasing customer load. The Project is BC Hydro's preferred alternative to meet the area's forecasted load growth;
- C. The Project consists of three main components:
 - i. The construction of the new Sundance Lake Substation (SLS) including the acquisition of 8.15 hectares to facilitate the space requirements of the new substation;
 - ii. The construction of a double circuit 230 kV transmission line strung on steel monopoles from SLS to Bear Mountain Terminal (BMT) (60 km) and from BMT to Dawson Creek Substation (DAW) (12 km). A new 33 meter (m) right-of-way is required for the route; in portions where the route parallels existing transmission lines, the required additional width may be less.
 - iii. The expansion of BMT including the acquisition of approximately 14 hectares of land to facilitate the additional equipment required for the Project.

- D. The Project's expected cost is \$222 million and the authorized budget is \$257 million with a planned in-service date of April 30, 2014;
- E. At the request of BC Hydro, the Commission Panel temporarily suspended the review process on November 30, 2011. The suspension was lifted on April 11, 2012;
- F. The Commission held a Procedural Conference on May 2, 2012 in Vancouver, BC to discuss, inter alia, the Scope of the Review of the CPCN Application; Order G-184-11 sets out the Commission's Determinations in that regard;
- G. The review of the Application was conducted primarily by way of a written hearing. The adequacy of First Nations' consultation was conducted in an Oral Hearing Phase held from July 9 to July 10, 2012;
- H. The Commission has considered the evidence and arguments on whether the Crown's Duty to Consult and accommodate the First Nations up to the date of this Decision;
- I. The Commission has considered the Application, the evidence and submissions presented.

NOW THEREFORE pursuant to sections 45, 46, 58 and 61 of the Act the Commission orders that:

1. The Crown's Duty to Consult with the West Moberly First Nation on the DCAT Project has not been adequately met, to the date of this Decision.
2. The Commission will grant a CPCN to BC Hydro for the DCAT Project, as set out in the Application as Alternative 1, subject to the following conditions:
 - (a) Within 180 days of the date of this Order, BC Hydro shall file with the Commission evidence of further consultation, as directed in the accompanying Decision.
 - (b) West Moberly First Nation will have 10 days from the date of the filing of the evidence to file a written response.
 - (c) BC Hydro will then have 7 days from the date of the filing of West Moberly First Nation's response to file a written reply.The Commission will review the submissions and, if the further consultation is determined to be adequate to meet the Crown's duty to consult, as set out in this accompanying Decision, the CPCN will be granted.
3. If the CPCN is granted, BC Hydro is directed to file with the Commission semi-annual updates on the actual Project schedule and costs with a comparison to plan set out in the Application and any variances the Project may be encountering. The semi-annual progress reports will be filed within 45 days of the end of each reporting period.

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4. If the CPCN is granted, BC Hydro is directed to file a final report within six months of the end or substantial completion of the Project. The final report is to include a reconciliation of actual and anticipated Project costs as set out in the Application and provide an explanation of any material costs in excess of \$257.4 million.
5. The revision to section 8.3 of the Terms and Conditions of the Electric Tariff as proposed by BC Hydro is not approved at this time. The Panel may accept the proposed changes subject to receipt of the following clarifications:
 - (a) BC Hydro is to specify how a new customer's load is to be allocated between Tariff Supplement 6 and the Electric Tariff for the purpose of the deposit/contribution calculation.
 - (b) BC Hydro is to provide revised amended language for the Electric Tariff section 8.3 which specifically identifies each section of Tariff Supplement 6 that is applicable to System Reinforcement.
6. Tariff Supplement 6 is to be applied to individual customers, and not an aggregation of customers. Accordingly, if the CPCN is granted, BC Hydro is directed to recalculate the deposit/contribution requirement under Tariff Supplement 6 and, if applicable, the Electric Tariff, for each DCAT customer and file the revised calculation with the Commission within 30 days of that Decision.
7. BC Hydro is directed to comply with all the directives 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 10th day of October 2012.

BY ORDER

Original signed by:

L.A. O'Hara
Panel Chair/Commissioner