

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-56-12

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

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 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, Commissioner/Panel Chair
C.A. Brown, Commissioner
D.M. Morton, Commissioner

May 7, 2012

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 (the Commission) for a Certificate of Public Convenience and Necessity (CPCN) to construct and operate the Dawson Creek/Chetwynd Area Transmission Project as described in the Application;
- B. BC Hydro also applies pursuant to subsections 58(1) and 61(2) of the Act for approval of a revision to Section 8.3 of the Terms and Conditions of its Electric Tariff to provide security for the cost of transmission system reinforcements by distribution voltage customers requesting new service in excess of 10 MW;
- C. On November 23, 2011, BC Hydro requested that the proceeding be temporarily suspended;
- D. On November 30, 2011, the Commission Panel granted the temporary suspension of the proceeding;
- E. On March 23, 2012, BC Hydro requested the reactivation of the proceeding;
- F. On April 11, 2012, the Commission Panel granted the reactivation of the proceeding;
- G. The Commission held a Procedural Conference on the Application on May 2, 2012 in Vancouver, BC to discuss:
 - Scope of the review of the CPCN Application;
 - Remaining significant issues after receipt of the Supplemental Evidence (Exhibit B-22) and Updates to the Application submitted by BC Hydro;
 - Status of the Commission Panel and Round 3 Information Requests (IRs)

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-56-12

2

- Oral vs. written hearing; and
- A Revised Regulatory Timetable.

H. The Commission Panel has determined the scope of the Application's review, and that a Revised Regulatory Timetable should be established to conclude the proceeding.

NOW THEREFORE the Commission orders as follows:

1. The scope of the Application's review is attached as Appendix A to this Order.
2. BC Hydro is directed to respond to the unanswered Commission Panel and Round 3 IRs as listed in Appendix B to this Order.
3. The review of the Application will proceed by way of a written hearing with IR No. 4, followed by an oral hearing limited to the adequacy of First Nation's consultation, if required, and then written final submissions.
4. The Revised Regulatory Timetable for the review of the Application is established as set out in Appendix C to this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of May, 2012.

BY ORDER

Original signed by:

L.A. O'Hara
Commissioner

Attachments



IN THE MATTER OF

**BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY APPLICATION
FOR THE DAWSON CREEK/CHETWYND AREA TRANSMISSION PROJECT**

REASONS FOR DECISION

May 7, 2012

BEFORE:

L.A. O'Hara, Commissioner and Panel Chair
C.A. Brown, Commissioner
D.M. Morton, Commissioner

1.0 BACKGROUND

On July 11, 2011 British Columbia Hydro and Power Authority (BC Hydro) applied to the British Columbia Utilities Commission (the Commission, BCUC), pursuant to subsection 46(1) of the *Utilities Commission Act (the Act)*, for a Certificate of Public Convenience and Necessity (CPCN) to construct and operate the Dawson Creek/Chetwynd Area Transmission Project (the Application). BC Hydro states that reinforcement of the transmission system in this area, with a planned in-service date of October 2013, is needed to enhance the quality of service to existing customers and to meet increasing new customer load. The extraordinary increase in projected load is primarily due to anticipated demand by the gas industry, which plans to bring to market the unconventional gas reserves (shale gas) from the Montney gas basin located in the Dawson Creek and Groundbirch areas. BC Hydro further states that this Project represents Phase 1 of what it anticipates will be a two-phase program to reinforce the transmission system in the area.

BC Hydro also applies pursuant to subsections 58(1) and 61(2) of the *Act* for approval of its proposal to use Tariff Supplement No. 6 (Agreement for New Transmission Service Customers) (TS 6) to determine any contributions and/or deposit required from the new customers for the cost of system reinforcement. It appears that some of the new customers would be using Rate Schedule 1823 – Transmission Service – Stepped Rate which includes a current energy charge of 3.671 cents per kWh. Other new customers would be using Rate Schedule 1600, 1601, 1610 or 1611 – Large General Service (150 kW and over). At the present time, TS 6 is only applicable to customers taking transmission service. BC Hydro requests approval of a revision to Section 8.3 of the Terms and Conditions of its Electric Tariff to provide security for the reinforcement costs by distribution voltage customers requesting new service in excess of 10 MW.

The first stage of the regulatory review proceeded through the fall of 2011. There were two rounds of Information Requests (IRs) and the first Procedural Conference was held on November 4, 2011 after which the Commission Panel issued Order G-184-11 establishing a Revised Regulatory Timetable. The Revised Regulatory Timetable included an additional round of IRs and a date for submissions of Intervener Evidence. On November 15, 2011 the Panel issued its first IR, followed by IR No. 3 filed by Interveners and Commission staff.

On November 23, 2011, BC Hydro asked the Commission to temporarily suspend the DCAT hearing process. In BC Hydro's view the latest IRs addressed policy and factual areas that were not addressed in the DCAT Application, were largely outside the scope of what it had anticipated and might have ramifications far beyond the DCAT project. By letter dated November 30, 2011 the Commission Panel granted the temporary suspension.

On March 23, 2012, BC Hydro submitted a request to reactivate the hearing process with new Supplemental Evidence (Exhibit B-22) as well as updates to the original Application (Exhibit B-1-3) that included a new target in-service date of April 2014. After receiving submissions from parties the Commission Panel lifted the temporary suspension April 11, 2012 and confirmed the second Procedural Conference for Wednesday, May 2, 2012.

Since late March the Panel has also granted a Late Intervener status to a number of parties, including the Ministry of Energy and Mines (MEM), natural gas industry representatives, and the City of Dawson Creek.

In the Procedural Conference the Commission Panel requested the participants to address the following matters:

- Scope of the Commission review of the Application;
- Remaining significant issues after receipt of the Supplemental Evidence and Updates;
- Status of the outstanding IRs;
- Whether the review should proceed by oral or written public hearings, or some other process;

- Draft Revised Regulatory Timetable; and
- Other matters.

The Appearances by parties and their submissions are set out in Transcript Volume 2. (T2)

In these Reasons for Decision the Panel will first address the scope of the review and the remaining significant issues. The Panel then makes its determination regarding the outstanding Round Three IRs. In the last section the Panel will then address scheduling and other remaining procedural matters.

2.0 SCOPE OF THE REVIEW AND REMAINING SIGNIFICANT ISSUES

BC Hydro provided its submission on the proper scope of the review in its letter of March 23 2012. (Exhibit B-22) Many Interveners responded to the scope issue submissions in this letter. In addition, each of the participants in the Procedural Conference of May 2, 2012 was invited to address issues respecting scope of the DCAT CPCN.

2.1 Submissions of the Parties

In an effort to set the agenda for scoping issues, BC Hydro referred to its letter of March 23, 2012. (T2:136) This letter set out five topics that BC Hydro suggests are out of scope, re-categorized into four issues as follows:

1. **RATES:** whether rolled in rate principles should apply on the BC Hydro system; whether distinctions should be made between old and new customers for ratemaking; and, whether postage stamp rates, which have been in effect since BC Hydro was created in 1962, remain appropriate on its system;
2. **OBLIGATION TO SERVE:** whether distinctions should be made between old and new customers respecting whether to serve and service level;
3. **N-1 SERVICE STANDARD:** whether its N-1 service standard, required pursuant to the Mandatory Reliability Standards (MRS) that were developed pursuant to BCUC Orders G-67-09, G-167-10, G-162-11, and G-175-11 remains the appropriate service standard; and
4. **BC ENERGY OBJECTIVES:** whether consideration of the DCAT Project requires the BCUC to consider province-wide system planning issues and BC's Energy Objectives under the *Clean Energy Act (CEA)*.

RATES

With respect to rolled in rate principles, BC Hydro, in Exhibit B-22, submits that this CPCN must be considered in the context of the current tariff. "TS 6 determines the extent to which new costs are rolled into BC Hydro's existing rate base and the extent to which new customers must assume direct responsibility for extension costs before they are entitled to receive electricity on the same basis as existing customers under the rate schedule applicable to them." (Exhibit B-22, p. 2) BC Hydro has stated that Appendix 1 to TS 6 provides for the assignment of costs, responsibilities and rights between BC Hydro and transmission voltage customers in the context of system reinforcements and extensions. This Tariff was approved, in its current form, by the Commission in 1991.

The Association of Major Power Customers of BC (AMPC) suggests that it is appropriate for parties to provide evidence relating to whether TS 6 is effective, in its application to the DCAT project. AMPC wishes to submit evidence to consider whether TS 6, in its current form, is appropriate, given the economic impact of the shale gas industry in northeast British Columbia. (T2:195)

BC Hydro was unclear as to the intent of AMPC's proposed submission of evidence on the tariff issue. If AMPC wishes to provide evidence in order to revise TS 6, in the DCAT hearing process, then BC Hydro submits that this would be fundamentally unfair to the ratepayers of BC to change a tariff because of one project. (T2:240) If AMPC wishes to provide evidence to support the change of the tariff in a future hearing, then BC Hydro submits that would be an inefficient use of this process. (T2:241)

In terms of postage stamp rates, BC Hydro states that the underlying policy of postage stamp rates is fundamental to how BC Hydro does business in the province. These principles have been part of the BC Hydro policy since 1980, when it first came under regulation by the Commission. BC Hydro noted that the Commission, in Order G-214-08, held that postage stamp rates will remain in effect until an interested party demonstrates a need for change. BC Hydro notes that nothing has happened to change this, and that BC Hydro has made this CPCN Application based on this assumption.

The Canadian Association of Petroleum Producers (CAPP) generally supports BC Hydro's position. CAPP identifies a practical point that, as members of the industry, they make plans based on the current Tariff. (T2:175) Indeed, Shell Canada (Shell) notes that it has moved beyond the planning and has considerable investment based on the current tariff, working on these plans for over three years. (T2:178) Shell relied on a "BCUC approved tariff [and] BCUC approved terms and conditions." It has completed a facility agreement and the security requirement. Air Liquide makes a distinct case that, as a non-natural gas producer, it has no choice but to seek electrical service from BC Hydro, and is relying on this service. (T2:183)

BC Old Age Pensioner Organization *et al* (BCOAPO) made the point that although BC Hydro took issue with whether rolled in rate principles and discriminating between old and new customers for rate making and service level purposes, are appropriate for this proceeding, BC Hydro has pointed out that new customers are treated differently, in terms of their requirement to make capital contributions. Further, BC Hydro has proposed changes to the capital contribution policy. Ms. Worth, on behalf of BCOAPO, suggests that it ought to be in scope to consider other changes to the capital contribution or system expansion policy. Ms. Worth further suggested that how capital contribution policies are applied ought to be considered by the Panel. (T2:205) Further, although Ms. Worth is not asking the Commission Panel to examine regional or postage stamp rates, she urges the Commission to consider the extent to which such costs do vary from region to region, in terms of the impact on the cost of expansion to meet the new load on capital contribution calculations. (T2:205)

MEM supports BC Hydro's position. In particular MEM suggests that a CPCN is not an appropriate process to consider rate policy, as these issues are relevant to a far broader group of stakeholders. (T2:172)

OBLIGATION TO SERVE

BC Hydro made submissions supporting its conclusion that its obligation to serve is absolute. BC Hydro states that all members of BC Hydro's rate classes, regardless of when they joined the rate class, are entitled to receive benefits of low cost heritage energy. (Exhibit B-22, p. 4) BC Hydro suggests that new load ought not to be discriminated against, with respect to rate or service. "BC Hydro's rates, and the related terms and conditions of service, do not distinguish between customers based on the use to which power is put." (Exhibit B-22, p. 5) Such a distinction would be a significant deviation from its obligations, and would require extensive consultation with stakeholders. Further, BC Hydro emphatically advises that its obligation to serve is an essential part of its mandate. Mr. Sanderson suggests that the obligation to serve is absolute; Mr. Sanderson went through the origins of the obligation to serve, citing *Chastain v. BC Hydro* ((1972), 32 DLR 3rd, at 443). In that case, BC Hydro attempted to collect security from customers who were poor credit risks. This case provided that a public utility cannot discriminate against customers. Mr. Sanderson states "Hydro must serve all those who come to it ready, willing and able to meet the requirements that this Commission has said are necessary for customers to meet in order to be entitled to service."

AMPC referred the Commission Panel to question 106 of BC Hydro's supplemental Evidence. (Exhibit B-22) The question asks whether BC Hydro has ever declined to provide service to a particular customer. AMPC suggests that asking BC Hydro what sort of discretion it uses in the application of the Tariff to a customer, is a different matter, is relevant, and goes to the issue of how the tariff is being applied in particular circumstances. (T2:196) AMPC sees a relevant connection between the operation of a tariff supplement, to a customer, and a project need.

Mr. Austin, representing the Clean Energy Association of BC, claimed that the marginal cost of energy, and the impact of new load on the system ought not to be a consideration at all for the DCAT CPCN hearing. He suggested that this seems to be an issue of bias against the North, and that access to service is something that people in more populated areas take for granted. (T2:200)

N-1 SERVICE STANDARD

BC Hydro submits that the Commission pursuant to s. 125.2 of the Act has adopted the N-1 standard for service on the bulk transmission system under MRS. Succinctly stated, the N-1 standard "requires that the system remain stable with thermal and voltage limits within acceptable ratings, with no loss of demand or curtailment of firm transfers, and no cascading outages, when an event on the transmission system results in the loss of a single element." (Exhibit B-22, p. 6) BC Hydro concludes that questioning whether the N-1 standard is appropriate in this CPCN application is not an option.

The Commission Panel did not hear any submissions at the Procedural Conference that the N-1 standard, as a standard, is at issue.

In particular, Ms. Worth, does not challenge the N-1 service standard, but wishes to pursue a line of questions that provide understanding as to how BC Hydro will meet its MRS obligations. In particular, Ms. Worth is interested in knowing which customers will be at risk in the event of a transmission outage, should this project be approved as filed.

BC ENERGY OBJECTIVES

Finally, with respect to BC's energy objectives and the *Clean Energy Act*, BC Hydro seems to distinguish between the DCAT Project, as a stand-alone project, and how the DCAT might fit into the larger scheme of an integrated resource plan. As a stand-alone project, BC Hydro submits that the DCAT project fits all of the relevant *CEA* objectives outlined in section two. Consequently, there was no need to prioritize. BC Hydro submits that the *CEA* is clear that resource planning must be reviewed through an alternative process. Accordingly, the DCAT CPCN ought not to be turned into an integrated resource plan hearing. Any questions that related to the link between the *CEA* and the BC Hydro resources beyond the DCAT project are therefore out of scope.

The MEM supported the position of BC Hydro. In particular MEM stated that, given the load growth evident in the North, government is planning a broad review of industrial electrical policy. This broad review will include a wider range of stakeholders. Further, MEM submits that province wide system planning issue, and the relative trade-offs among energy objectives is more appropriately dealt with in the context of the *CEA*, and the Integrated Resource Plan. (T2:173)

The City of Dawson Creek submits that because the electrical transmission system servicing the Dawson Creek area currently fails to meet N-1 MRS standards, and due to projected system demand, the system will fail to meet N-0 standards by the end of 2013, the timely conclusion of this hearing, and this project, is in the public interest. Additionally, the project supports jobs and economic opportunity for area residents. "It is not fair to the residents of

Dawson Creek to delay this matter further so that other interveners can debate issues which are not raised on this application and cannot realistically be addressed or resolved in this proceeding.” (T2:210) Mr. Hildebrand referred the Commission to section 39 of the *Act*, which states:

“On reasonable notice, a public utility must provide suitable service without undue discrimination or undue delay to all persons who

- (a) apply for service,
- (b) are reasonably entitled to it, and
- (c) pay or agree to pay the rates established for that service under this *Act*.”

Finally, the Commercial Energy Consumers Association of British Columbia (CEC) (T2:187 and BCOAPO T2:204) suggested that as this CPCN had such a large investment the Panel should be broader in terms of its scope for review. On the other hand, Mr. Sanderson, counsel for BC Hydro, clearly submits that the Commission is not to err on the side of caution (by allowing a greater scope for evidence), and must provide a structured and fair process. (T2:237)

2.2 Commission Determination

The Commission Panel has considered the submissions made in the May 2, 2011 Procedural Conference, BC Hydro’s letter of March 23, 2012 (Exhibit B-22), and the various Intervener responses to that letter (Exhibits C2-11, C3-6, C5-18, C7-9, C8-8, C10-7, C12-2, C13-2, C14-2, C15-2, C16-2, C17-2 and C18-2). The Panel must consider all that is relevant to this DCAT CPCN application in the context of the *Act*, the *CEA*, the CPCN Guidelines (Commission Order G-50-10) and Special Direction 9.

The Panel makes the following findings:

1. The Panel acknowledges the submissions from the MEM that the government is planning a broader review of industrial electricity policy, including retail access and rate design issues. Accordingly, questions that relate to the appropriateness of rolled in rate principles, or postage stamp rate principles, as a system wide BC Hydro policy, are out of scope for this hearing. However, the Panel finds that it is appropriate for parties to provide evidence and ask questions as to the application of TS 6 to the DCAT project so as to allow the Commission Panel to determine whether the DCAT project is in the public interest.
2. The Panel recognizes BC Hydro’s obligation to serve all customers who come to it ready, willing and able to meet the requirements that this Commission has said are necessary for customers to meet. However, the Panel wishes to emphasize that the absolute obligation to serve is always in context: the service must meet the appropriate standards; options must be weighed diligently; and the service must be adequate, safe, efficient, fair and reasonable. Accordingly, these issues are in scope for this hearing.
3. The Panel acknowledges the Integrated Resource Plan process that has been established by the *CEA*. Province wide resource planning issues are out of scope. However, specific plans and planning methodologies, including increased load issues that relate to the DCAT area are within scope. Questions that relate to the appropriateness of the N-1 MRS standard are out of scope for this hearing, but questions about the application of the N-1 standard to this proposed project are well within the scope of this hearing. Particularly, BC Hydro’s compliance with N-1 service criterion, in both the planning standard for the DCAT project and the operating standard, once the project is in service, are within scope. This may include submissions respecting any further phases that support DCAT’s compliance with the N-1 service criterion.

4. Questions that require BC Hydro to provide evidence of establishing priorities amongst the government of British Columbia policy objectives contained within section 2 of the *Clean Energy Act*, as it relates to projects other than that contemplated in the DCAT CPCN are out of scope for this hearing. Any questions relating to the application of the *CEA* to the DCAT project is appropriate and necessary for a CPCN application.

REMAINING SIGNIFICANT ISSUES

The Participants at the Second Procedural Conference were asked to address the remaining significant issues after receipt of the supplemental evidence and updates to the application. The Commission Panel has determined that the remaining significant issues include the following:

- Evaluation of alternatives to the proposed DCAT project (T2:186);
- The planning of the DCAT project to meet N-1 planning criteria (T2:188);
- Contribution of New Customers to system reinforcement, and related security issues;
- Updated load forecast implications;
- Updated project evidence;
- The application of the Electric Tariff and Tariff Supplement 6 to the DCAT project (T2:191);
- BC Hydro's proposed changes to the Electric Tariff;
- Discrimination in the treatment of existing and new customers with respect to allocation of project costs and service level standards arising from BC Hydro's proposal to amend the Tariff and TS 6; and
- First Nation's issues and whether the duty to consult has been met

3.0 OUTSTANDING ROUND 3 IRs

The Round 3 IRs that remained unanswered since November 18, 2011 became a contentious issue at the Procedural Conference even though BC Hydro hoped that the remaining within scope questions would have been implicitly answered in the new supplementary evidence filed on March 23, 2012, or would have been less relevant in the light of the new evidentiary update. (Exhibit B-22) After receiving submissions from Interveners, the Panel directed BC Hydro to clearly identify which Round 3 IRs were, in its submission, out of scope, were answered in Exhibit B-22 or were no longer otherwise relevant by April 17, 2012. BC Hydro provided a comprehensive list of the IRs in Exhibit B-25.

3.1 Submissions of the Parties

In the Procedural Conference BC Hydro filed Exhibit B-27 which lists the outstanding questions of the AMPC, BCOAPO and the Commission which BC Hydro commits to answering. BC Hydro is expected to meet this commitment by the deadline shown in the Regulatory Timetable.

3.1.1 APMC

AMPC accepted BC Hydro's additional comments as an answer to IRs 3.1.3 and 3.2.5 but maintains that answers are still required IRs 3.1.4, 3.2.6 and 3.2.7.

IR 3.1.4: *Please confirm that the Electric Tariff provides BC Hydro with no discretion in the allocation of system upgrade costs between existing and new customers. If not confirmed, please specify the provision of the electric tariff that provide this discretion to BC Hydro, and also specify the provision of the Electric tariff and any other factors that BC Hydro takes into account in exercising this discretion.*

As a key reason for the question, the APMC provided the other alternatives considered for the Project and the “allocation of cost with respect to required system upgrades to meet forecast load is based on BC Hydro’s Electric Tariff.” (Exhibit C3-8) In reply to BC Hydro, AMPC submits its main interest is whether or not the Electric Tariff is being applied in a principled manner. (T2:196)

The Commission Panel has determined that application of the Electric Tariff is in scope. Accordingly, BC Hydro is directed to respond to IR 3.1.4 with an emphasis on a principled approach that would be applied in the case of the other alternatives considered and relevant examples as requested by AMPC.

The AMPC is welcome to further clarify its IR 3.1.4 in accordance with the Regulatory Timetable on May 14, 2012.

IR 3.2.6 seeks answers for the potential further customer contributions for the Northwest Transmission Line (NTL) project and the percentage of capital costs that would be recovered by customer contributions in aid of construction. BC Hydro submits that the NTL is an exempt project as defined the CEA. Accordingly, the TS 6 is not applicable and BC Hydro plans to file a new special tariff for that express purpose. (T2:243-246)

The Commission Panel accepts BC Hydro’s submission and therefore AMPC IR 3.2.6 need not be answered.

IR 3.2.7: If the Electric tariff required customer contributions in aid of construction for the DCAT project, could the electrical service percentage of natural gas compression used in BC Hydro’s load forecast be affected?

BC Hydro submits the basis for its objection is that the question positing a policy situation which does not exist, and will not exist in the context of the approval process for DCAT. (T2: 156) In reply, AMPC states that the scope should not be narrowed to exclude issues such as contribution of new customers towards system reinforcement. (T2:199)

The Commission Panel accepts BC Hydro’s submission and therefore AMPC IR 3.2.7 need not be answered. Nevertheless, contribution of new customers towards system reinforcement remains in scope.

3.1.2 BCOAPO

IR 3.2.1: Will the supply agreements with these five customers clearly indicate that in the event of a system outage, their service will be subject to interruption before that of non-interruptible customers? If yes, please provide the anticipated wording for the contract. If not, why not?

BC Hydro submits that this question has been answered in the Supplementary Evidence Q&A 13 and 93. (T2:156-157)

The Commission Panel accepts BC Hydro’s response and therefore the BCOAPO IR 3.3.1 need not be answered.

BCOAPO Questions 3.5.1 to 3.5.3 and 3.7.1 are follow-up questions to CEC IRs. BC Hydro submits it has answered to those questions in the Supplementary Evidence. (T2:160)

The Commission Panel notes that the CEC accepts BC Hydro responses and finds that these questions do not require further response. BCOAPO will have an opportunity to ask further new IRs as they relate to the filed Supplemental Evidence in the IR No. 4.

3.1.3 Commission IRs

The outcome of the exchanges between the counsels for BC Hydro and the Commission was that a number of IRs were withdrawn, will be reworded for clarity or will be introduced in IR No. 4 based on the Supplemental Evidence.

3.1.4 Commission Panel IRs

After making its scoping ruling the Commission Panel finds that it requires answers to its IR 1.2 and IR 1.4.2 as BC Hydro has not answered these questions in adequate detail in its Supplemental Evidence.

4.0 REGULATORY TIMETABLE FOR THE PROJECT REVIEW

In the Procedural Conference parties made numerous submissions regarding the sense of urgency surrounding the DCAT which have influenced the ruling by the Panel.

4.1 Submissions by Parties

BC Hydro, industry representatives and the City of Dawson Creek emphasized the importance of an early in-service date for the DCAT Project. The energy industry was represented by the Canadian Association of Petroleum Producers, the Clean Energy Association of B.C., Air Liquide Canada, Arc Resources Ltd., Encana Corporation, Murphy Oil Company Limited and Shell Canada Limited.

BC Hydro submits that whether the Commission grants or declines to grant the CPCN, both BC Hydro and its customers need to hear that answer absolutely as soon as they can. (T2:255)

Shell submits that “their needs are immediate and they are going to require electricity in the timeframe originally scheduled for DCAT, which we all know now has been delayed, and therefore every day of delay is a delay in getting power to a real customer.” (T2:260)

Major customer groups with an emphasis on a thorough process deserved by a major project like DCAT included AMPC, BCOAPO and CEC. West Moberly First Nations (WMFN) requested flexibility in the schedule for filing its evidence.

CEC submits that it is BC Hydro’s obligation to make its case, “and clearly they adjourned this process to strengthen their position, and that is fine, but we need to have a fair process to review it” and supports the draft schedule in Commission Letter L-26-12. (T2: 266)

4.2 Commission Determination

The Commission Panel has considered the submissions and finds that the Regulatory Timetable attached as Appendix C to the Order best meets the requirements of all parties. The IR No. 4 on the Supplemental Evidence allows the parties to further explore the implications of the DCAT Project. The schedule constraints of the WMFN are resolved by the mutual agreement with BC Hydro. The Commission Panel is concerned about the tight timeline between the filing of the WMFN evidence and the commencement of the oral phase of the hearing. Therefore, the Commission Panel requests that WMFN and BC Hydro agree on a proposal for early confidential filing of the draft report for review by the Panel and Commission staff so that adequate pre-hearing preparation can be undertaken. Finally, the schedule provides a timeline for written Final Submissions to permit the Panel to commence its final deliberations in August 2012.

Summary of Outstanding Round No. 3 Information Request's Requiring Response

BC Hydro is directed to answer the following outstanding Information Requests:

1. British Columbia Hydro and Power Authority Dawson Creek/Chetwynd Transmission Project (DCAT) Round No. 3 IRs which BC Hydro has committed to answer in Exhibit B-27, including BCUC 3.20 and 3.21 with sub-parts as per T2:168;
2. AMPC IR 3.1.4; and
3. Commission Panel IR 1.2 and 1.4.2.

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

REVISED REGULATORY TIMETABLE

ACTION	DATE
Commission and Intervener Information Request No. 4 and Intervener unanswered Information Requests No. 3 ruled in scope to BC Hydro.	Monday, May 14, 2012
BC Hydro Responses to Commission and Intervener Information Requests No. 3 and No. 4	Thursday, May 24, 2012
WMFN to forward full draft report and draft evidence to BC Hydro	Wednesday, June 6, 2012
Interveners Evidence	Thursday, June 7, 2012
Information Requests to Interveners	Thursday, June 14, 2012
Interveners Responses to Information Requests on Evidence	Thursday, June 28, 2012
WMFN Report and Evidence	Thursday, July 5, 2012
Oral Hearing regarding First Nation Consultation (if required)	July 9 and 10, 2012
BC Hydro's Final Submission	Monday, July 16, 2012
Intervener Submissions	Wednesday, July 25, 2012
BC Hydro's Reply Submission	Tuesday, July 31, 2012