



ORDER NUMBER
R-44-17

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Teck Metals Ltd.
Application for Acceptance of Mitigation Plan required for
Compliance with Mandatory Reliability Standards:
PER-005-1 Requirement 1 - Violation ID: BCUC2017000597
PER-005-1 Requirement 2 - Violation ID: BCUC2017000598

BEFORE:
W. M. Everett, QC, Commissioner

on October 18, 2017

ORDER

WHEREAS:

- A. On September 8, 2017, the Western Electricity Coordinating Council (WECC), acting as the Administrator for the British Columbia Mandatory Reliability Standards Program (BC MRS Program), issued Recommendations of Mitigation Plan (MP) Acceptance (Recommendations) to bring Teck Metals Ltd. (Teck) into compliance with Reliability Standards PER-005-1 R1 and R2;
- B. Section 125.2 of the *Utilities Commission Act* (UCA) assigns exclusive jurisdiction to the British Columbia Utilities Commission (Commission) to determine whether a “reliability standard,” as defined in the UCA, is in the public interest and should be adopted in British Columbia. By Order G-123-09, the Commission approved the Compliance Monitoring Program (CMP) for monitoring and enforcement of adopted reliability standards and appointed WECC as its Administrator for registration and monitoring compliance as per section 8 of the UCA. WECC’s role as Administrator for the BC MRS Program was renewed in the first amended Administration Agreement, dated August 21, 2014 and most recent revisions to the CMP were approved by Commission Order R-40-17, dated September 1, 2017;
- C. Pursuant to section 5.1.1 of the CMP, an entity subject to approved Mandatory Reliability Standards found in Confirmed Violation of a reliability standard must prepare an MP to correct the Confirmed Violation or prepare a description of how the Confirmed Violation has been mitigated. Pursuant to section 5.3.2 of the CMP, an MP with respect to a Confirmed Violation must be submitted to the Administrator within ten days following confirmation by the Commission;
- D. An MP with respect to a Possible Violation or an Alleged Violation may be submitted at any time and the Commission encourages entities to mitigate all perceived instances of noncompliance upon detection;

- E. On April 21, 2017, during Teck's Compliance Audit, WECC reviewed Teck's compliance with BC Reliability Standards for the period of May 13, 2014 to January 18, 2017 and identified the Possible Violations (PVs), PER-005-2 R1 and R3, as documented in the Teck Compliance Audit Report dated June 22, 2017;
- F. WECC subsequently identified the deemed date for these PVs to be January 1, 2015, which coincides with the effective date of the previous version of the standard, and for this reason, WECC recorded the PVs as PER-005-1 R1 and R2 to reflect the version of the standard in effect when the issues of non-compliance began. The PVs were assigned the Regional ID numbers as shown below:

Reliability Standard (Version 1) in Effect When Issue of Non-Compliance Began	Effective Date of Reliability Standard (Version 1)	Version of Reliability Standard in Effect at Audit (Version 2)	Effective Date of Reliability Standard (Version 2)	BCUC Violation ID
PER-005-1 R1	January 15, 2015	PER-005-2 R1	October 1, 2016	BCUC2017000597
PER-005-1 R2	January 15, 2015	PER-005-2 R3	October 1, 2016	BCUC2017000598

- G. On July 31, 2017, Teck submitted MPs to address PER-005-2 R1 and R3, mitigating the PVs identified at audit and mitigating to the more recent version of the standard;
- H. Noting that the PVs listed in the Recommendations do not match the PVs identified in the Compliance Audit and that the Recommendations do not acknowledge that Teck is mitigating to the more recent version of the standard, Commission staff requested clarification from WECC;
- I. On October 9, 2017, WECC issued an explanation to Teck and to the Commission, clarifying that the PVs found at the Compliance audit span the effective period for two versions of Reliability Standard PER-005. WECC acknowledged that the PV identified as BCUC2017000597 spans the effective period for PER-005-1 R1 and PER-005-2 R1, and that the PV identified as BCUC2017000598 spans the effective period for PER-005-1 R2 and PER-005-2 R3. WECC affirmed the Recommendations dated September 8, 2017 and recognizes that the Teck MPs address the PVs found at audit and mitigate to the more recent version of the standard as shown below:

Version of Reliability Standard in Effect When Issue of Non-Compliance Began	Version of Reliability Standard in Effect at Audit (Version 2)	BCUC Violation ID	Date MP Submitted to WECC	Proposed Completion Date
PER-005-1 R1	PER-005-2 R1	BCUC2017000597	July 31, 2017	October 31, 2017
PER-005-1 R2	PER-005-2 R3	BCUC2017000598	July 31, 2017	October 31, 2017

- J. The Commission reviewed WECC's Recommendations and WECC's clarification dated October 9, 2017 and considers acceptance of the MPs is warranted. The Commission recognizes that the PV identified as BCUC2017000597 spans the effective period for PER-005-1 R1 and PER-005-2 R1, and that the PV identified as BCUC2017000598 spans the effective period for PER-005-1 R2 and PER-005-2 R3.

NOW THEREFORE pursuant to section 125.2(10) of the UCA and in accordance with the CMP, the Commission accepts the MPs with the proposed completion dates as identified above.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of October 2017.

BY ORDER

Original Signed By:

W. M. Everett, QC
Commissioner