

February 5, 2019

Sent via email

Letter L-1-19

Ms. Doug Slater
Director, Regulatory Affairs
FortisBC Energy Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8
gas.regulatory.affairs@fortisbc.com

Mr. Fred James
Chief Regulatory Officer,
British Columbia Hydro and Power Authority
16th Floor-333 Dunsmuir Street
Vancouver, BC V6B 5R3
bchydroregulatorygroup@bchydro.com

Ms. Janet P. Kennedy
Vice President, Regulatory Affairs & Gas Supply
Pacific Northern Gas Ltd.
Pacific Northern Gas (N.E.) Ltd.
2550–1066 West Hastings Street
Vancouver, BC V6E 3X2
jkennedy@png.ca

Re: Response plans for Emergency Events

Dear Stakeholders:

Over the past year, British Columbia has experienced several extreme and unforeseeable events, including devastating wildfires and landslides, a rupture to the Enbridge Inc. Westcoast T-South pipeline and, most recently, severe windstorms. Further, British Columbia faces potential risks, such as earthquakes, ice storms or cybersecurity attacks. These events can damage critical infrastructure and significantly restrict utilities' ability to provide safe and reliable energy services to customers, potentially leaving millions of British Columbians without access to essential energy for extended periods of time. This risk to safe and reliable energy is a significant concern to the British Columbia Utilities Commission (BCUC).

To address this concern, the BCUC needs to better understand how the major public utilities plan for and manage operations during such events, and how they consider strategies that currently exist and those under development in relation to risk management and emergency preparedness. Further, we are interested in knowing how utilities plan to mitigate the potential impact on customers and stakeholders in response to emergency events.

As such, the BCUC asks the major utilities it regulates, including your utilities, to provide the following information:

- 1) Emergency response plans and other relevant contingency-type plans to facilitate or coordinate operations, restore service or secure assets in the event of a significant risk to its infrastructure.
- 2) Assessments of key safety risks faced by the utility and plans or strategies to mitigate those risks.

- 3) Assessment of key reliability risks faced by the utilities at both a transmission and distribution level and strategies or plans to mitigate those risks.
- 4) Policies and procedures in place to ensure reliability of electricity distribution, and a comparison of these policies to Mandatory Reliability Standards applicable to the utility's electrical transmission system.
- 5) Policies and procedures in place to ensure reliability of both transmission and distribution of gas by the utility, and a comparison of these policies to Mandatory Reliability Standards where possible.
- 6) An inventory of assets and other tools that can be used by the utility to reduce risk, such as gas storage assets, and policies describing their management.
- 7) Confirmation that the utility has adopted and implemented all Canadian Safety Association (CSA) standards and best practices, and if not, provide a listing of standards not in place and with an explanation.
- 8) Policies and procedures in place to ensure timely and relevant plans are made or updated to address utility safety and reliability risks.
- 9) Internal or external audit reports or documents that have resulted from assessing or testing any of the above mentioned items.
- 10) Any further materials or information the utility believes is relevant to the consideration of either safety or reliability of energy in British Columbia.

When faced with similar concerns regarding public utility safety, the California Public Utilities Commission (PUC) set out on a regulatory process to address this risk - the Safety Model Assessment Proceeding. That process, concluded in December 2018, resulted in the California PUC establishing a new risk evaluation framework. The goal of the California PUC's new approach is to make utility decision-making about weighing and mitigating safety risks more quantitatively rigorous and transparent. As British Columbia faces many similar safety risks to California, a similar approach may be of value when evaluating utility safety risks here in British Columbia.

We appreciate that safety and reliability are important concerns for public utilities in British Columbia and we look forward to gaining a better understanding of how our major public utilities address these concerns. Prior to filing any documents, we encourage you to contact our staff to discuss this letter and seek clarity on any items outlined above.

Sincerely,

Original Signed by Ian Jarvis for:

Patrick Wruck
Commission Secretary

KB/aci