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August 11, 2023

Patrick Wruck
Commission Secretary and Manager
Regulatory Services
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Patrick Wruck:

**RE: Project No. 1599273
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Mainwaring Substation Upgrade Project (Project)
Compliance with BCUC Order No. C-4-22 to File Material Change Reports**

BC Hydro writes in accordance with BCUC Order No. C-4-22 (**Order**) to file a Material Change report.

1 Background

On November 2021, BC Hydro filed an application with the BCUC seeking a Certificate of Public Convenience and Necessity (**CPCN**) for the Project (**Application**). On August 16, 2022, the BCUC issued the Order granting a CPCN to BC Hydro for the Project.

In the Order, the BCUC directed BC Hydro to file Material Change reports within 30 days of the date of the Material Change occurring. A Material Change was defined as:

[A] change in BC Hydro's plan for the Project that would reasonably be expected to have a significant impact on the schedule, cost or scope, such that:

- There is a schedule delay of greater than six months compared to the schedule provided in Table 4-4 of the Application;
- The total Project cost exceeds 10 percent of the estimated Project cost provided in Table 4-2 of the Application; or
- There is a change to the Project scope provided in Chapter 4 of the Application.

2 Material Change Report

BC Hydro reports on a Material Change to two of the Project milestones provided in Table 4-4 of the Application.

The milestone changes included in this Material Change Report are the result of cumulative changes previously reported in the Project's semi-annual progress reports filed on October 14, 2022, and February 13, 2023. These prior cumulative schedule changes resulted in a total delay of seven months and 13 months, respectively, compared to the milestones provided in Table 4-4 of the Application. These schedule changes do not affect the Project's in-service date.

This report is being filed three months after the schedule delay for the "Gas-Insulated Switchgear Feeder Building Contract Award Milestone" occurred and five months after the schedule delay for the "Asset In-Service Date - T4 Transformer" occurred, and not 30 days after the change occurred, as required by the Order.

This delay in filing is the result of human error. BC Hydro apologizes for this error and has implemented additional monitoring going forward so that future Material Changes are reported as required. This includes developing processes for monthly monitoring of Material Changes as part of BC Hydro's established project controls and monitoring process.

The table below provides a description of the Material Change, the reasons for the Material Change, and a discussion of any risk, opportunity, or action resulting from the Material Change.

Nature of the Change	Description of the Material Change	Date Final Change Occurred	Reason for the Material Change	Risk, Opportunity, or Action Resulting from the Material Change
Schedule	Seven month delay in the "Gas Insulated Switchgear Feeder Building Contract Award" milestone from October 2022 to May 2023.	May 2023	Delay due to more time required to: complete site preparation specifications and gas-insulated switchgear building request for proposal (five months); ¹ accommodate the year-end holiday season (one month); ² and complete pre-award negotiations (one month).	There is no risk to the Project as there is currently no change to the contract completion date as a result of this milestone change. There is no change to the Project's in-service date as a result of this change.

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Nature of the Change	Description of the Material Change	Date Final Change Occurred	Reason for the Material Change	Risk, Opportunity, or Action Resulting from the Material Change
Schedule	13 month delay in the "Asset In-Service Date - T4 Transformer" milestone from September 2024 to October 2025.	March 2023	Delay due to available outage timing window for transformer replacement (one month); ¹ and switching sequence of transformer replacement to prioritize removal of PCB contaminated T1 (12 months).	Switching the sequence of the transformer replacement reduces overall Project risk as the "PCB Equipment Removal Complete" milestone will be advanced and the risk of missing the federal PCB Regulations compliance deadline is mitigated. There is no change to the Project's in-service date as a result of this change.

¹ Milestone change previously provided and explained in the Project's Progress Report No. 1

² Milestone change previously provided and explained in the Project's Progress Report No. 2

For further information, please contact Joe Maloney at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Chris Sandve
Chief Regulatory
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