

Fred James

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September 4, 2020

Ms. Marija Tresoglavic
Acting Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Tresoglavic:

**RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Customer Complaint – Mr. Steve Emery**

BC Hydro writes in response to the Commission staff requesting information regarding a complaint by Mr. Steve Emery dated July 31, 2020.

BC Hydro notes that Mr. Steve Emery is not an applicant customer at the affected properties described below.

In the past few years, BC Hydro has received requests from three residents in a subdivision on Denny Island Airport Road, approximately 2 km southeast of Shearwater, B.C., to connect to BC Hydro service. The residents are not currently connected to the electrical grid and three have applied for connections to BC Hydro's distribution grid.

BC Hydro distribution lines in that area of Denny Island are installed on the distribution voltage transmission poles owned and operated by Boralex LP ("Boralex"), which has owned the poles and the Ocean Falls generating facilities on Denny Island since 2008. The BC Hydro distribution lines are physically attached below or under the Boralex distribution lines on these Boralex poles; utilities refer to this arrangement as "underbuild" or "underbuilt".

To clarify, BC Hydro owns and operates the underbuilt distribution line to provide service to existing customers in the area of Denny Island. The Ocean Falls generating facilities came into operation in 1917. The installation of BC Hydro's underbuilt distribution line occurred sometime between the construction of the Ocean Falls generating facilities, including distribution voltage transmission poles and lines serving Shearwater and when Boralex assumed ownership in 2008. BC Hydro's conclusion is that the intent of the arrangement was to serve the existing customers for the benefit of the generating station, the utility, and the customers.

During a review of this matter, neither BC Hydro nor Boralex were able to locate historical agreements permitting BC Hydro's use of the poles. BC Hydro and Boralex are working together to reach formal agreements to address the historical use of the joint use poles, and set terms for the ongoing use of the poles.

BC Hydro has been conducting studies and assessing whether it is feasible to install a new distribution infrastructure entirely owned by BC Hydro. Due to the unique and challenging terrain in the area, BC Hydro has concluded that it will be cost prohibitive to create an entire new distribution infrastructure in the area. BC Hydro is exploring other options to provide safe and reliable service to its applicant customers using existing infrastructure.

In 2018, BC Hydro provided a design and estimated cost to one of the three residents, and the resident has since decided to not proceed with connecting to BC Hydro's service. BC Hydro is continuing to actively work with the two remaining applicant customers and potentially other residents in this area.

BC Hydro has completed designs for the two current applicant customers and provided quotes independently for each service connection. Both service connections require the installation of one new shared pole and re-framing of one existing shared pole owned and operated by Boralex with BC Hydro underbuild and the installation of approximately six BC Hydro owned poles and associated equipment to facilitate the extension to both applicant customer's properties.

Building distribution extensions in remote locations introduces many unique challenges and leads to increased costs to bring the crews, vehicles, and material to the site. Considering these factors, BC Hydro believes that the designed and quoted solution is consistent with BC Hydro's policies, procedures and is a reasonable solution to provide service to those residents. BC Hydro and Boralex have agreed to accommodate the addition and changes to existing facilities while BC Hydro and Boralex continue negotiations to reach an agreement.

The two applicant customers have since expressed concern with the cost of the design quotes being higher than anticipated. They have since placed their requests for service on hold in order to seek other alternatives. BC Hydro Design department is continuing to work closely with these applicant customers and potentially additional residents to analyze the feasibility and costs of other alternatives requested by the applicant customers. However, the alternative arrangements as proposed, or any other future proposals would face similar increased engineering and other challenges as BC Hydro's currently quoted solution.

BC Hydro is proceeding with these applicant customer connections as part of BC Hydro's ongoing customer capital program. BCUC's approval is not required for individual applicant customer connection or joint use agreement with third parties.

BC Hydro and Boralex are committed to serving our current and future customers with BC Hydro service.

September 4, 2020
Ms. Marija Tresoglavic
Acting Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Customer Complaint – Mr. Steve Emery

For further information, please contact Anthea Jubb at 604-623-3545 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



(for) Fred James
Chief Regulatory Officer

bf/tl

Copy to: **Steve Emery**
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