



AN ORDER IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

A Joint Application by the Cities of Vancouver and Burnaby
for an Order Requiring British Columbia Hydro and Power Authority to Underground
the 230 kV Transmission Line along Boundary Road

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) June 9, 1995

O R D E R

WHEREAS:

- A. On December 19, 1994 a Joint Application ("the Application") dated November 23, 1994 from the Cities of Vancouver and Burnaby ("the Cities"), was filed requesting that the Commission issue an Order to British Columbia Hydro and Power Authority ("B.C. Hydro") to underground, at the Utility's expense, its 230 kV transmission line that borders the Cities along Boundary Road; and
- B. Pursuant to Section 93(2) of the Utilities Commission Act, Commission Order No. G-14-95 set down the Application for Public Inquiry, which commenced March 27 in Burnaby and concluded in Vancouver on March 30, 1995; and
- C. The Inquiry Officer prepared and submitted his Inquiry Report ("the Report") to the Commission on May 26, 1995 and is attached as Appendix B to this Order; and
- D. The Commission has considered the Report, authorizes its release, and issues its Reasons for Decision attached as Appendix A to this Order.

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-48-95

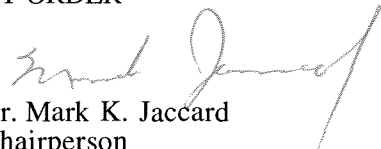
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NOW THEREFORE the Commission orders as follows:

1. The Commission rejects the Cities' Application for an order requiring B.C. Hydro to underground, at B.C. Hydro's sole expense, its 230 kV transmission line, Circuits No. 2L3 and 2L49, along Boundary Road in the City of Vancouver for reasons cited in Appendix A.
2. The Commission is prepared to issue a Certificate of Public Convenience and Necessity for the undergrounding project provided that the funding and other conditions specified in Appendix A are satisfied.
3. B.C. Hydro is to seek Commission approval for any significant incremental expenditures on the Boundary Road transmission line, Circuits No. 2L3 and 2L49.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of June, 1995.

BY ORDER


Dr. Mark K. Jaccard
Chairperson

Attachments

REASONS FOR DECISION

The Cities Of Vancouver And Burnaby And The British Columbia Hydro And Power Authority

Undergrounding Of The Overhead Transmission Lines Along Boundary Road

The Commission, after reviewing and accepting for filing the Report of the Inquiry Officer, rejects the application of the Cities to order B.C. Hydro, at its sole expense, to place underground the 230 kV transmission line located along the boulevard on Boundary Road. The Commission has concluded that it is not in the broad public interest to require the ratepayers of B.C. Hydro to pay the entire cost of undergrounding the transmission line. In reaching this conclusion the Commission paid particular attention to the following:

- 1) In 1948 the Public Utilities Commission, under section 37 of the Public Utilities Act, authorized the construction of the transmission line at its current location.
- 2) The Inquiry Officer's Report suggested that the likely remaining life of the existing transmission line is approximately 20 years. An underground transmission line was estimated to cost \$25 million and last for at least 50 years.
- 3) The Inquiry Officer's Report identified that replacement of the transmission line at this time is primarily for the purpose of beautification.

However, the 230 kV transmission line along the Boundary Road boulevard is unique in a number of respects as detailed in the Inquiry Officer's Report:

- 1) This is the only overhead 230 kV transmission line in the B.C. Hydro system that is not in a registered right-of-way.
- 2) B.C. Hydro has not obtained any agreement with the municipalities regarding ongoing occupancy of the right-of-way.
- 3) The transmission line was constructed on property designated as a scenic boulevard. The significance of scenic boulevards within the City of Vancouver, including Boundary Road, was recognized as early as 1929 and was reaffirmed in greater detail in 1946.

The Commission recognizes that the undergrounding of the transmission line at this time provides some economic value to B.C. Hydro due to the 50 years, or more, expected life of the underground cables. Using B.C. Hydro's normal discount rate this value is approximately \$5 million. This leaves a residual capital cost of about \$20 million.

The Commission has considered the particular circumstances related to this transmission line and has determined that B.C. Hydro should contribute one third of the residual capital cost to the undergrounding project, in addition to the \$5 million identified above.

If within a reasonable period of time from the date of this Order, B.C. Hydro receives an application for undergrounding of the line with a commitment to fund the remaining portion of the cost, the Commission, subject to any further requirements being met, will issue a Certificate of Public Convenience and Necessity to require that the undergrounding be completed. The Commission notes that the Inquiry Officer has identified financing options whereby B.C. Hydro may assist an applicant in funding the remaining portion of the project.