

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-83-04

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

A Submission by Terasen Gas (Vancouver Island) Inc.
for Review of a Resource Plan dated June 18, 2004

and

An Application dated August 4, 2004 for a
Certificate of Public Convenience and Necessity
for a Liquefied Natural Gas Storage Project

BEFORE: L.A. Boychuk, Panel Chair and Commissioner
N.F. Nicholls, Commissioner
P.E. Vivian, Commissioner
September 15, 2004

O R D E R

WHEREAS:

- A. On June 21, 2004, Terasen Gas (Vancouver Island) Inc. ("TGVI") filed with the Commission its Resource Plan Report dated June 18, 2004, covering the Vancouver Island and Sunshine Coast service areas ("Resource Plan") prepared with a view to satisfying the Commission's Resource Planning Guidelines ("Guidelines") issued in December 2003 related to the new subsections 45(6.1) and 45(6.2) of the Utilities Commission Act ("the Act"); and
- B. On August 4, 2004, TGVI filed with the Commission an application for a Certificate of Public Convenience and Necessity to construct and operate a new Liquefied Natural Gas ("LNG") Storage Facility at a location referred to as Mount Hayes in the Cowichan Valley Regional District in the vicinity of Ladysmith ("the CPCN Application"); and
- C. In both its June 21 and August 4 filings, TGVI requested that the Commission's review of the Resource Plan and the CPCN Application take place concurrently or jointly as part of the regulatory review and approval process required; and

- D. Following a written process established to seek public input on TGVI's request, the Commission considered the written submissions received from the Vancouver Island Gas Joint Venture, British Columbia Hydro and Power Authority and the Ministry of Energy and Mines as well as a response received from TGVI; and
- E. The Commission determined that the Resource Plan and the CPCN Application should be heard concurrently in a combined regulatory review process with an oral hearing for the Resource Plan to precede, as appropriate, an oral hearing for the CPCN Application; for greater certainty, the Commission stated in its Order No. G-79-04 dated August 18, 2004, that it anticipates that one evidentiary record would be established to support respective decisions on the Resource Plan and CPCN Application following the oral hearing and an argument stage; and
- F. The Commission also, by Order No. G-79-04, established a Pre-Hearing Conference held on Monday, September 13, 2004, to consider issues and procedural matters associated with the Resource Plan and CPCN Application, including timing and steps in the review process; and
- G. The Commission has considered the comments and input received from parties at the Pre-Hearing Conference and has determined that a regulatory timetable should be established for the oral public hearing to consider the Resource Plan and the CPCN Application.

NOW THEREFORE the Commission orders as follows:

1. An oral public hearing will commence at 9:00 a.m. on Wednesday, November 17, 2004 in Nanaimo, BC. The Regulatory Agenda is set out in Appendix A to this Order and includes an opportunity for Intervenor to file information requests after TGVI has responded to an initial round of information requests from the Commission as well as a workshop to be conducted by TGVI in Vancouver on Friday, October 22, 2004, on the 4th Floor, 855 Homer Street, commencing at 9:00 a.m.

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2. The hearing in Nanaimo will, as appropriate, be adjourned on Friday, November 26 to reconvene, as necessary, in Vancouver on Monday, December 6, 2004; evening session(s) may be arranged in Nanaimo depending upon the level of interest expressed by parties and related practical circumstances.
3. TGVI will publish, as soon as possible, in display-ad format, the Notice of Oral Hearing attached as Appendix B to this Order in such appropriate local news publications as may properly provide adequate notice to the public in its service areas, particularly those in the vicinity of Ladysmith.
4. The Resource Plan and CPCN Application, together with any supporting materials, will be made available for inspection at public libraries and at TGVI offices in Nanaimo and Victoria, at the Terasen Gas Inc. Vancouver Head Office and Surrey Office, and at the Commission office.
5. TGVI is to provide a copy of this Order, by facsimile or electronically if possible, to all Intervenor and Interested Parties registered in this proceeding, as soon as possible.
6. Unless they have already registered, Intervenor and Interested Parties should inform the Commission, in writing, by October 15, 2004 of their intention to intervene and/or participate actively in the public hearing.
7. Intervenor intending to apply for participant assistance must submit a budget estimate by October 25, 2004, 2004 consistent with the Commission's Participant Assistance/Cost Awards Guidelines and an estimated 12 days of hearing time. Copies are available upon request or can be downloaded from the Commission's website at <http://www.bcuc.com/bcuc/paca.html>.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of September 2004.

BY ORDER

Original signed by:

Lori Ann Boychuk
Chair

Attachments

Terasen Gas (Vancouver Island) Inc.

**Resource Plan for Vancouver Island and Sunshine Coast
Application for a Certificate of Public Convenience and Necessity
For a Liquefied Natural Gas Storage Project**

REGULATORY AGENDA

ACTION	DATE
Intervenors Register	Wednesday, September 8
Pre-Hearing Conference	Monday, September 13
Commission Information Requests to TGVI	Friday, September 17
TGVI Response to Commission Information Requests	Wednesday, October 6
Extended date for Intervenor and Interested Party Registrations	Friday, October 15
Intervenor Information Requests to TGVI	Tuesday, October 12
TGVI Responds to Intervenor Information Requests	Wednesday, October 20
Workshop (Vancouver)	Friday, October 22
Budget Estimates for Participant Assistance Submitted	Monday, October 25
Intervenors file Evidence	Wednesday, October 27
Information Requests to Intervenors and TGVI	Wednesday, November 3
Intervenors and TGVI respond to Information Requests	Wednesday, November 10
Hearing commences (Nanaimo)	Wednesday, November 17 to Friday, November 26
Hearing reconvenes (Vancouver)	Monday, December 6



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Terasen Gas (Vancouver Island) Inc.
Resource Plan for Vancouver Island and Sunshine Coast
Application for a Certificate of Public Convenience and Necessity
For a Liquefied Natural Gas Storage Project

NOTICE OF ORAL HEARING

Date: Wednesday, November 17, 2004
Time: 9:00 a.m.
Location: The Grand Hotel Nanaimo
4898 Rutherford Road
Nanaimo, B.C. V9T 4Z4
Telephone: (250) 758-3000

THE SUBMISSIONS

Terasen Gas (Vancouver Island) Inc. ("TGVI") submitted its 2004 Resource Plan for Vancouver Island and the Sunshine Coast ("Resource Plan") to the British Columbia Utilities Commission ("Commission") pursuant to Section 45(6.1) of the Utilities Commission Act ("the Act") and the Commission's Resource Planning Guidelines. Resource Planning supports the selection of cost-effective resources that will ensure the cost-effective delivery of secure and reliable energy services for ratepayers over the long run. The TGVI Resource Plan evaluates demand and supply options over a long term planning horizon, and assesses impacts and tradeoffs related to such matters as rates and rate stability, reliability, security of supply, risk mitigation and specific social or environmental characteristics. TGVI's Resource Plan concluded that Liquefied Natural Gas ("LNG") storage is the preferred resource addition to meet forecast load growth, including service to gas-fired electricity generators on Vancouver Island.

TGVI applied to the Commission pursuant to Section 45 of the Act for a Certificate of Public Convenience and Necessity for an LNG Storage Project ("CPCN Application"). The project consists of a LNG storage facility at Mount Hayes, approximately six kilometers northwest of Ladysmith, two pipelines to connect the storage facility to the TGVI transmission system and related facilities. The estimated cost of the project is \$94.4 million and it is proposed to be in service by mid-2007. The LNG storage facility would have a useable capacity of 1,070 terajoules (one billion standard cubic feet of gas) and could provide approximately 100 terajoules per day (100 million standard cubic feet per day) of natural gas to the TGVI system.

THE REGULATORY PROCESS

The Commission Panel has determined that the Resource Plan and the CPCN Application will be heard concurrently in a combined regulatory review process with one evidentiary record to be established to support decisions on both the Resource Plan and the CPCN Application.

A workshop will be conducted by TGVI in Vancouver on Friday, October 22, 2004 at 4th Floor, 855 Homer Street commencing at 9:00 a.m.

The oral hearing will convene in Nanaimo, BC on Wednesday, November 17 at 9:00 a.m. and will adjourn in Nanaimo no later than Friday, November 26, 2004. If necessary, the hearing will reconvene in Vancouver on Monday, December 6, 2004, at a time and location to be announced upon adjournment.

Participant funding requests and budget proposals must be submitted to the Commission by Monday, October 25, 2004.

PUBLIC INSPECTION OF THE DOCUMENTS

The Resource Plan and CPCN Application and supporting material will be made available for inspection at the Nanaimo and Victoria offices of TGVI, the Terasen Gas Inc. Surrey Office at 16705 Fraser Highway and Head Office at 1111 West Georgia Street, Vancouver, BC, V6E 4M4, and the British Columbia Utilities Commission office, Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3.

The Resource Plan and CPCN Application are available for viewing on TGVI's website at www.terasengas.com.

INTERVENTIONS

Persons who have not already registered and who expect to actively participate in the TGVI proceeding should register as Intervenor with the Commission, in writing, by an extended date of Friday, October 15, 2004, identifying their interest in either or both of the Resource Plan and the CPCN Application. Intervenor will receive copies of the Resource Plan and CPCN Application and all correspondence and filed documentation and should provide an e-mail address if available.

Persons not expecting to actively participate, but who have an interest in the proceeding and who have not already registered, should register as Interested Parties with the Commission, in writing, by Friday, October 15, 2004, identifying their interest in either or both of the Resource Plan and the CPCN Application. Interested Parties will receive a copy of the Resource Plan's Executive Summary, the Application section of the CPCN Application and all Orders issued.

FURTHER INFORMATION

For further information, please contact Mr. Robert J. Pellatt, Commission Secretary, as follows:

Telephone: (604) 660-4700
Facsimile: (604) 660-1102

E-Mail: Commission.Secretary@bcuc.com
Telephone: (B.C. Toll Free) 1-800-663-1385