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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-101-05

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

and

**An Application from Duke Energy Gas Transmission
to continue an Exemption Covering the Transportation and Processing of Natural Gas
by Canadian Midstream Services Ltd. under the name of Duke Energy Midstream Services Canada Ltd.**

BEFORE: L.F. Kelsey, Commissioner
L.A. Boychuk, Commissioner October 6, 2005

O R D E R

WHEREAS:

- A. On July 31, 1997 by Order No. G-89-97 and on August 28, 1998 by Order No. G-77-98, with the approval of the Lieutenant Governor in Council, pursuant to Order in Council No. 831, 1997 the Commission, pursuant to Section 88(3) of the Utilities Commission Act ("the Act"), approved for Novagas Clearinghouse Ltd. ("NCL") an exemption from Part 3 of the Act for the facilities in British Columbia ("the facilities") which NCL used to transport or process natural gas for others; and
- B. Facilities which have been exempted from Part 3, other than Sections 24 and 25, may continue to be regulated under the Act on a complaint basis; and
- C. On April 17, 2000, Canadian Midstream Services Ltd. ("CMSL") applied to the Commission for an exemption from Part 3 of the Act for the natural gas gathering and processing facilities in the Peggo, Midwinter and Tooga areas in British Columbia which it purchased from TransCanada Midstream, the successor in interest to NCL, and which CMSL uses to transport and process natural gas for others; and

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- D. The Commission, by Order No. G-96-00, approved an exemption for CMSL, with the advance approval of the LIGIC pursuant to Order in Council No. 1302, 2000. In accordance with Condition 3 of Order No. G-96-00, the transportation or processing facilities not listed in Appendix I to Order No. G-96-00 may be exempted by the Commission after CMSL advises the Commission in writing that CMSL will begin to use the facility to transport or process natural gas for others and the Commission finds that the extension of such facility is in the public interest; and
- E. On August 25, 2005, Duke Energy Gas Transmission advised the Commission that in 2001 CMSL amalgamated with Duke Energy Field Services Canada Ltd. ("DEFSCL") and that subsequently, Duke Energy Midstream Services Canada Ltd. ("DEMSCL") amalgamated with DEFSCL to continue as one company under the name Duke Energy Midstream Services Canada Corporation ("DEMSCC"), the name of which is to be used for the continuation and re-issuance of the exemption order requested in the August 25, 2005 letter; and
- F. On October 3, 2005, DEMSCC advised the Commission that an addition to the facilities listed in Appendix I to Order No. G-96-00 was required. DEMSCC owns a small dehydration, compression and pipeline facility in the Sunrise area with a capacity of 10 MMcf/day and submits that it would be in the public interest to grant an exemption for the Sunrise facilities; and
- G. The Commission finds that granting an exemption for the Sunrise facilities is in the public interest; and
- H. Section 99 of the Act provides that the Commission may reconsider, vary or rescind an Order made by it.

NOW THEREFORE the Commission orders as follows:

1. The exemption approvals given under Order No. G-96-00 are continued and reissued in the name of Duke Energy Midstream Services Canada Corporation.

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2. Appendix I to Order No. G-96-00 is revised to include the Sunrise dehydration, compression and pipeline facility. The facilities identified in Appendix I will continue to be regulated under the Act on a complaint basis, with a complaint taking a form similar to that of an application by an interested party under the Common Carrier and Common Processor sections of Part 4 of the Act with respect to facilities operated by a person declared to be a common carrier or common processor.
3. DEMSCC is directed to advise the Commission, in writing, of any facility that is not listed in Appendix I and which DEMSCC intends to use to transport and process natural gas for others, so that the Commission, on finding that the exemption of such facility is in the public interest may, by Order, issue a revised Appendix I.
4. DEMSCC is responsible for the safe and proper operation of its facilities consistent with the requirements of the Pipeline Act and other regulatory requirements.
5. DEMSCC is directed to file an annual report regarding each exempted facility in the form set out in Appendix II or as the Commission may otherwise require, and to distribute copies to the shippers using the facility.
6. DEMSCC is directed to pay fees to the Commission in the amounts that the Commission determines are required to defray costs associated with the regulation of DEMSCC facilities.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of October 2005.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachments

DUKE ENERGY MIDSTREAM SERVICES CANADA CORPORATION

**Transportation and Processing Facilities in British Columbia
Exempted from Part 3 Regulation**

1. Peggo, Midwinter and Tooga area - all pipelines, plant and related facilities.
2. Sunrise area – all pipelines, plant and related facilities

ANNUAL REPORTING REQUIREMENTS

Complaint Regulation of Companies that Transport or Process Gas for Others

A Report is required for each Separate, Significant Pipeline System or Processing Facility

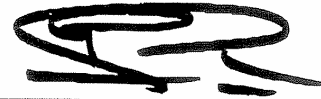
(Companies are to file Reports within 90 days after fiscal year-end)

1.0 Previous Year Actuals

- Facility name, location, function, capacity.
- Any significant changes in capacity during the year.
- Throughput during the year.
- Names, address, contact name and telephone number for each shipper.

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 1302, Approved and Ordered SEP 15 2000

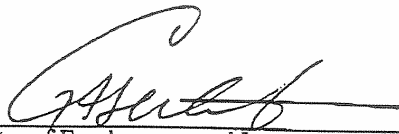


Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that

approval is given to the British Columbia Utilities Commission to exempt Canadian Midstream Services Ltd. from provisions of the Utilities Commission Act for the purposes and subject to the terms substantially set out in the attached draft order of the British Columbia Utilities Commission.



Minister of Employment and Investment



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: Utilities Commission Act, section 88 (3)

Other (specify): _____