



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-146-10**

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

and

Terasen Gas Inc., Terasen Gas (Vancouver Island) Inc.,
and Terasen Gas (Whistler) Inc.
2010 Long Term Resource Plan

BEFORE: D.A. Cote, Panel Chair/Commissioner
L.A. O'Hara, Commissioner September 24, 2010
A.W.K. Anderson, Commissioner

ORDER

WHEREAS:

- A. On July 15, 2010, Terasen Gas Inc., Terasen Gas (Vancouver Island) Inc. and Terasen Gas (Whistler) Inc. (collectively Terasen Utilities) filed their 2010 Long Term Resource Plan (2010 LTRP or Application) for the Commission's review;
- B. The 2010 LTRP examines future demand and supply resource conditions over the next 20 years and recommends actions needed during the next four years to ensure customers' energy needs are met over the long term;
- C. The 2010 LTRP discusses the rapidly changing energy planning environment in BC; the low carbon strategies of Terasen Utilities; the new demand forecasting activities; the need to seek additional and ongoing funding approvals for the Terasen Utilities' Energy Efficiency and Conservation programs; and regional infrastructure issues;
- D. On August 4, 2010, the Commission issued Order G-124-10 which provided for, in part, a Procedural Conference to address matters relating to the identification of principal issues arising from or related to the Application, the regulatory review process and associated dates for the regulatory review and a Preliminary Regulatory Timetable;
- E. The Procedural Conference took place in Vancouver on September 21, 2010;
- F. The Commission Panel has considered the submissions made at the Procedural Conference.

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NOW THEREFORE the Commission orders for the Reasons attached as Appendix A to this Order, as follows:

1. The review of the Application is to proceed in accordance to the Amended Regulatory Timetable attached as Appendix B to this Order.
2. Following the receipt of submissions of the parties on November 10, 2010 as to the need for a Second Procedural Conference, the Commission will determine whether the Second Procedural Conference provisionally scheduled for November 17, 2010 is required.
3. The dates provided in the Amended Regulatory Timetable for the filing of Final Argument are subject to further Order of the Commission, if a Second Procedural Conference is held and the Commission determines an oral hearing is required.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of September 2010.

BY ORDER

Original signed by:

D.A. Cote
Panel Chair/Commissioner

Attachments



IN THE MATTER OF

**TERASEN GAS INC., TERASEN GAS (VANCOUVER ISLAND) INC.
AND TERASEN GAS (WHISTLER) INC.**

2010 LONG TERM RESOURCE PLAN

**REASONS FOR DECISION
to Order G-146-10**

September 24, 2010

BEFORE:

D.A. Cote, Panel Chair/Commissioner
L.A. O'Hara, Commissioner
A.W.K. Anderson, Commissioner

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1.0 BACKGROUND

On July 15, 2010, Terasen Gas Inc., Terasen Gas (Vancouver Island) Inc. and Terasen Gas (Whistler) Inc. (collectively Terasen Utilities) filed their 2010 Long Term Resource Plan (the Application) in accordance with the British Columbia Utilities Commission (Commission) Resource Planning Guidelines and section 44.1 of the *Utilities Commission Act*.

On August 4, 2010, the Commission issued Order G-124-10 establishing, among other things, a Preliminary Regulatory Timetable for the Application and a Procedural Conference to take place on September 21, 2010. The Procedural Conference was held in Vancouver on that date.

In addition to the Applicants, the following Interveners entered appearances and made submissions at the Procedural Conference:

- British Columbia Hydro and Power Authority (BC Hydro);
- B.C. Sustainable Energy Association and Sierra Club of British Columbia (BCSEA);
- British Columbia Old Age Pensioners Organization *et al.* (BCOAPO); and
- Commercial Energy Consumers of British Columbia (CEC).

The Parties made submissions on the following issues:

- the options for review of the Application; and
- the regulatory timetable.

2.0 OPTIONS FOR REVIEW OF THE APPLICATION AND REGULATORY TIMETABLE

The Terasen Utilities submitted that they had no difficulty with the existing Preliminary Regulatory Timetable and noted that while one round of Information Requests (IRs) would suffice, they would have no difficulty with having a second round. They expressed a preference for a Written Hearing and proposed that written argument follow in two-week intervals after the end of the Preliminary Regulatory Timetable (i.e., following the second round of IRs). Accordingly, they proposed the following dates for Final Argument: November 16 for Terasen Utilities, November 30 for Interveners and December 10 for Terasen Utilities Reply.

Subsequent to the Terasen Utilities submissions, a member of the Commission Panel referred to the following statement made on page 186 of the Application: “Going forward, the utilities will seek approval of an overall business and regulatory model and seek CPCN approval of specific projects.” (T1:7) The Panel member also expressed an interest in some of the references to the return to base fleet vehicles and Terasen Utilities becoming involved in opportunities to supply fuel to marine operations. He commented that this raised the issue of the need to better understand the Applicants’ view with respect to the line separating regulatory and non-regulatory activities as the companies pursue what some might define as potentially competitive enterprises as opposed to those in a more traditional regulatory environment. He noted that this proceeding may or may not be the appropriate forum to consider this issue.

In response, the Terasen Utilities submitted that, in their view, this was not the appropriate forum to debate what was regulated and what was not regulated, adding: “There will be future applications where we’ll deal with those head on in terms of what regulatory model will be followed.” (T1:10)

A written process and the Terasen Utilities proposed schedule for written argument were acceptable to BCSEA. BCSEA also favoured a second round of IRs.

BCOAPO had nothing to add to the BCSEA submissions on process. On the issue raised by the Panel member, BCOAPO submitted that it would be useful to develop a process allowing for a more holistic look at the question and that it would also be useful for the Commission and Interveners to be able to share with Terasen Utilities their thoughts.

CEC advised the Panel that it agreed to a written process and the Terasen Utilities proposed schedule of argument, but that it had also wrestled with the issue raised by the Panel Member. It submitted that if the Commission had concerns that the policy questions might not be “fleshed out” in the written process, CEC would actively participate in an oral hearing. It suggested the possibility of a Second Procedural Conference following the second round of IRs to determine if any further process beyond the filing of written argument was required.

In reply, BCOAPO supported the idea of a Second Procedural Conference and later commented that: “it might be a useful time to get together, because otherwise there is no other live exchange of views in the course of this application.” (T1:19)

BCSEA, also in reply, echoed the comments of BCOAPO regarding CEC’s suggestion of the possibility of a Second Procedural Conference noting it is inclined to try to discuss, or at least begin the discussion of, the regulated versus non regulated activity issue within this proceeding.

BC Hydro took no position on any of the issues.

The Terasen Utilities, in reply, expressed the view that the evidence in the current Application is inadequate to appropriately deal with the issue. Accordingly, they submitted that if the purpose of the Second Procedural Conference is to discuss the potential for an oral hearing to discuss the issue, this proceeding is not the place to do so. The Terasen Utilities further stated that the evidentiary record will be more complete when they file an application for a new service offering and that the revenue requirement application is the place to discuss the big picture and company strategy.

After submissions were completed, the Panel stood down to allow the parties to discuss an alternative schedule that would incorporate the potential for a Second Procedural Conference and a fallback schedule (Default Schedule) in the event a decision is made following the completion of the second round of Information Requests that a Second Procedural Conference is not necessary. Commission Counsel subsequently proposed the following alternative schedule for submissions and Final Argument: November 10 for submissions on whether to have a Second Procedural Conference, November 15 for the Procedural Conference, if any, November 23 for filing of Terasen Utilities Argument, December 7 for filing of Intervener Argument and December 21 for Terasen Utilities Reply.

Following the adjournment of the Procedural Conference, Commission Counsel was asked to contact the participants on a possible change in the date for the Second Procedural Conference, if one was to occur. The request was due to a scheduling conflict of one of the Commissioners. November 17, 2010 was the new date proposed. The dates agreed to for the filing of Argument in the event the hearing is to be a written hearing would remain the same.

Commission Counsel has advised the Panel that he has contacted those who participated at the Procedural Conference and the proposed change in date is acceptable to them.

3.0 COMMISSION DETERMINATION

The Commission Panel has considered the submissions of the parties and, while respectful of the position and concerns put forward by the Terasen Utilities, believes that it is premature to determine whether the addition of an oral hearing to the proceedings is needed. The Panel has determined that the parties will be in a better position to make submissions on this issue once the evidentiary record has been supplemented by the completion of two rounds of IRs. Accordingly, the alternative schedule dates proposed at the Procedural Conference of September 21, 2010 is accepted with the exception of the proposed date for the Second Procedural Conference, which will now be held on November 17, if required. In the event that the parties decide that a Second Procedural Conference is unnecessary and the Panel agrees, the schedule for written Argument will be that proposed by Terasen Utilities.

The Panel would like to emphasize that the dates following the November 10, 2010 submissions are to be considered placeholders only and are subject to change in the event that the Second Procedural Conference takes place and the Panel determines that an oral hearing is required.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of September 2010.

Original signed by:

DENNIS A. COTE
PANEL CHAIR/COMMISSIONER

Original signed by:

L.A. O'HARA
COMMISSIONER

Original signed by:

A.W.K. (KEITH) ANDERSON
COMMISSIONER

Terasen Gas Inc., Terasen Gas (Vancouver Island) Inc.
and Terasen Gas (Whistler) Inc.
2010 Long Term Resource Plan

AMENDED REGULATORY TIMETABLE

ACTION	DATE (2010)
Intervener Information Request No. 1	Tuesday, September 28
Terasen Utilities Responses to Information Request No. 1	Monday, October 18
BCUC and Intervener Information Request No. 2	Thursday, October 28
Terasen Utilities Responses to Information Request No. 2	Monday, November 8
Submissions on the Need for a Second Procedural Conference	Wednesday, November 10
Second Procedural Conference, if required	Wednesday, November 17
DEFAULT SCHEDULE (if there is no Second Procedural Conference)	
Terasen Utilities Final Argument	Tuesday, November 16
Intervenors Final Argument	Tuesday, November 30
Terasen Utilities Reply	Friday, December 10
ALTERNATIVE SCHEDULE (if there is a Second Procedural Conference and the Panel determines no Oral Hearing is Required)	
Terasen Utilities Final Argument	Tuesday, November 23
Intervenors' Final Argument	Tuesday, December 7
Terasen Utilities Reply	Tuesday, December 21