

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-133-10**

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

**An Application by Terasen Gas Inc.
for a Certificate of Public Convenience and Necessity
for the Upgrade of Transmission Pipeline Crossing of the Kootenay River near Shoreacres**

BEFORE: D. A. Cote, Commissioner

August 10, 2010

O R D E R

WHEREAS:

- A. On July 15, 2010, Terasen Gas Inc. (TGI) applied (the Application) to the British Columbia Utilities Commission (the Commission), pursuant to sections 45 and 46 of the *Utilities Commission Act* (the Act), for a Certificate of Public Convenience and Necessity (CPCN) to install a natural gas transmission pipeline, using horizontal directional drilled (HDD) technology, that crosses the Kootenay River near the community of Shoreacres approximately half way between Castlegar and Nelson (the Kootenay River Crossing (Shoreacres) Upgrade Project or the Project); and
- B. The HDD crossing, as proposed by TGI in the Kootenay River Crossing (Shoreacres) Upgrade Project, will be approximately 880 metres (0.5 mile) of 168 mm (6 inch) pipeline. The Project will replace the existing 219 mm (8 inch) aerial crossing; and
- C. TGI states that it considered several alternatives in the Application, one of which was the replacement of the existing aerial crossing with a new 9 km 168 mm (6 inch) transmission pressure (TP) pipe alignment and another the replacement with a new 9 km 219 mm (8 inch) intermediate pressure (IP) pipe alignment, together with a TP/IP station; and
- D. TGI is proposing the Kootenay River Crossing Upgrade Project as the preferred solution to address potential consequences from the slope instability at the east terminus of the existing aerial crossing and the deteriorating condition of the aerial crossing structure and pipe; and
- E. TGI proposes to start installation of the new crossing in April 2011 and to have the new crossing in-service by July 2011 with the aerial crossing removal and final site clean up as soon as practical thereafter. TGI has

estimated the cost of the project will be approximately \$8.3 million including Allowance for Funds Used During Construction (AFUDC); and

- F. TGI considers that a written hearing process is appropriate for the review of the Application and has proposed a regulatory timetable; and
- G. Concurrent with the filing of the Application, TGI provided notice of filing of the Application to registered parties in the TGI 2010-2011 Revenue Requirements Application, as well as to identified stakeholders, which were set out in Appendices O and P of the Application; and
- H. The Commission considers that establishing a written public hearing and regulatory timetable for the registration of Interveners and for the review of the Application is necessary and in the public interest.

NOW THEREFORE the Commission orders as follows:

- 1. The Application will be examined by a Written Public Hearing process, in accordance with the Regulatory Timetable for the hearing that is established and attached as Appendix A to this Order.
- 2. The Application, together with any supporting materials, will be made available for inspection at the TGI Office, 16705 Fraser Highway, Surrey, BC, V4N 0E8 and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3, and will also be available on the TGI and Commission websites at www.terasengas.com and www.bcuc.com.
- 3. Interveners or Interested Parties should register with the Commission, in writing or electronic submission, by Thursday, September 16, 2010. Interveners should specifically state the nature of their interest in the Application, and identify generally the nature of the issues that they intend to pursue during the proceeding and the nature and extent of their anticipated involvement in the review process.
- 4. TGI will publish the Notice of Application and Written Public Hearing, attached as Appendix B, in the local papers in Castlegar and Nelson, as soon as it is possible to do so.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of August 2010.

BY ORDER

Original signed by:

D. A. Cote
Commissioner

Attachments

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APPENDIX A
to Order G-133-10
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REGULATORY TIMETABLE

ACTION

DATES (2010)

Intervenor and Interested Party Registration	Thursday, September 16
Commission and Intervenor Information Request No. 1	Thursday, September 16
TGI Response to Information Requests No. 1	Thursday, September 30
TGI Written Final Submission	Friday, October 15
Intervener Written Final Submission	Friday, October 29
TGI Written Reply Submission	Monday, November 15



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APPENDIX B
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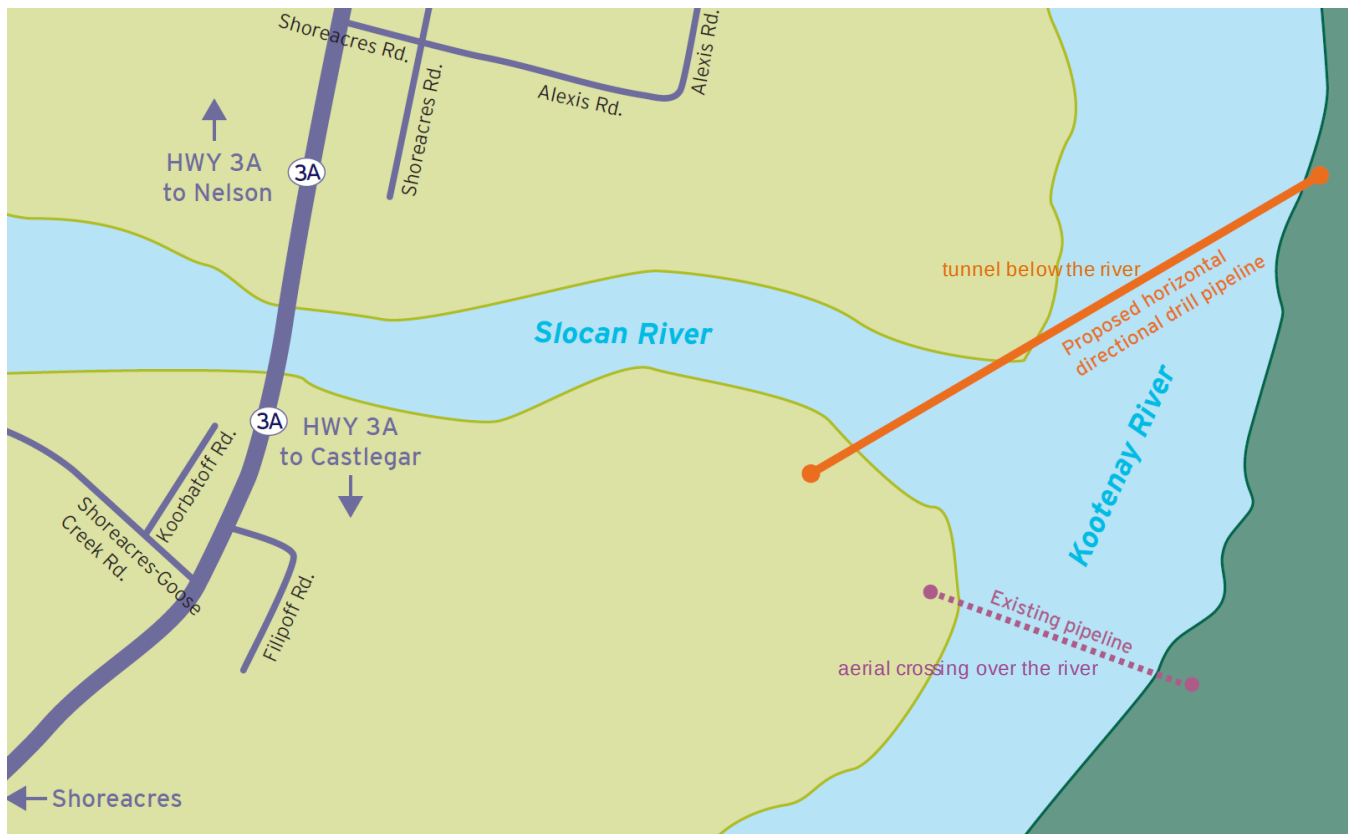
NOTICE OF APPLICATION AND WRITTEN PUBLIC HEARING

THE APPLICATION

On July 15, 2010 Terasen Gas Inc. (Terasen Gas, TGI) applied to the British Columbia Utilities Commission (the Commission) for a Certificate of Public Convenience and Necessity (the Application) for the Kootenay River Crossing (Shoreacres) Upgrade Project. Terasen Gas requests approval for installation of a natural gas transmission pipeline crossing of the Kootenay River near Shoreacres, using the Horizontal Directional Drill (HDD) construction method to tunnel under the river bed at a depth where the river is unaffected. The crossing will replace the existing aerial crossing that Terasen Gas considers to be no longer reliable due to potential consequences from river bank slope instability and the deteriorating condition of the aerial crossing structure and pipe.

The proposed crossing will be 168 mm (6 inch) outside diameter pipe, approximately 880 metres long. The HDD drill will enter near the existing western terminus of the aerial crossing and exit 650 m north of the existing east terminus to avoid the unstable slope. The replacement crossing, with an estimated cost of approximately \$8.3 million, is to be in-service by July 2011 and the existing aerial crossing removed from service by October 2011.

In its Application Terasen Gas considered several alternatives, one of which is to replace the existing 291 mm (8 inch) aerial crossing with a new 9 km 168 mm (6 inch) transmission pressure (TP) pipe alignment and another the replacement with a new 9 km 219 mm (8 inch) intermediate pressure (IP) pipe alignment, together with a TP/IP station. The location of the crossings are shown on the map below.



THE REGULATORY PROCESS

The Commission has established a Written Public Hearing and Regulatory Timetable for the regulatory review of the Application. The Regulatory Timetable can be viewed on the Commission's website at www.bcuc.com.

INTERVENTION

Persons who expect to actively participate in the Terasen Gas proceeding should register as Interveners with the Commission, and should identify the issues that they intend to pursue as well as the nature and extent of their anticipated involvement in the review process. Interveners will each receive a copy of the Application, all correspondence and filed documentation and should provide an email address, if available.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as Interested Parties. Interested Parties will receive a copy of the Executive Summary in the Application, and all Orders and Decisions issued.

Interveners and Interested Parties should register in writing, no later than Thursday, September 16, 2010. Notification by mail, courier delivery, fax or email is acceptable.

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission's website.

PUBLIC INSPECTION OF THE DOCUMENTS

The Application and supporting materials will be available for inspection at the following locations:

British Columbia Utilities Commission, Sixth Floor, 900 Howe Street
Vancouver, BC V6Z 2N3 Telephone: 1-800-663-1385 Internet: www.bcuc.com

Terasen Gas Office
16705 Fraser Highway
Surrey, BC V6N 0E8
Internet: www.terasengas.com

For further information, please contact Ms. Erica Hamilton, Commission Secretary, or Mr. Mark R. Thomas, P.Eng., Senior Gas Engineer as follows:

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

BC Toll Free: 1-800-663-1385
E-mail: Commission.Secretary@bcuc.com