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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-207-13**

TELEPHONE: (604) 660-4700
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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and**

**An Application by Fortis BC Energy Inc. (FEI)
for a Certificate of Public Convenience and Necessity
to Construct and Operate a Transmission Pressure Pipeline
Crossing of the Muskwa River for the Fort Nelson Service Area**

BEFORE: N.E. MacMurchy, Commissioner

December 4, 2013

O R D E R

WHEREAS:

- A. On November 29, 2013, FortisBC Energy Inc. (FEI) submitted an Application for a Certificate of Public Convenience and Necessity (CPCN) to the British Columbia Utilities Commission (Commission) under sections 45 and 46 of the *Utilities Commission Act* (Act) to construct and operate a pipeline crossing of the Muskwa River for the Fort Nelson Service Area (the Application). FEI also seeks approval for deferral treatment of the Application and project development costs under sections 59 to 61 of the Act;
- B. FEI proposes to replace the existing six inch diameter pipeline section crossing the Muskwa River with a new six inch diameter pipeline section due to erosion of the river channel and exposure of the existing pipeline to potential serious damage (Project);
- C. In 2011, FEI applied for the Project and received approval from the Commission by Order G-27-11, based on the proposed method of attaching the new pipeline to an existing highway bridge at an estimated cost of \$3.1 million. Since the Project estimate was below the Commission established \$5 million threshold in place for FEI, a CPCN was not required nor granted;
- D. In 2013, FEI received confirmation from the owner of the bridge that permission to use the bridge would not be granted;
- E. The proposed alternative method for the Muskwa River crossing is estimated to cost \$6.7 million, with approximately \$3.1 million already being recovered in rates. FEI seeks approval of the CPCN for an additional \$3.6 million;

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- F. FEI requests an expedited review process due to the exposure of the pipeline and timing with the upcoming spring freshet and with consideration of previous approvals received. FEI proposes a review process involving one round of information requests followed by a Streamlined Review Process;
- G. By Order G-37-12, the Commission issued Policy, Guidelines and Procedures for the Streamlined Review Process;
- H. The Commission has determined that a public hearing is appropriate to review the Application and that further submissions are necessary to determine whether a Streamlined Review Process or written hearing process is required.

NOW THEREFORE the Commission orders as follows:

- 1. The Application will be examined by a public hearing process and the preliminary Regulatory Timetable, attached as Appendix A, has been established.
- 2. FEI shall publish a notice of the Application and Public Hearing Process, attached as Appendix B to this Order, in such local and community newspapers that will provide reasonable notice to people in the affected service area and surrounding communities. FEI must make the Application available on its company website.
- 3. Persons wishing to participate as Interveners or as Interested Parties, as described in Appendix B, should register with the Commission in writing or electronic submission by Thursday, December 12, 2013. Interveners should specifically state the nature of their interest in the Application and identify generally the nature of the issues that they may intend to pursue during the proceeding and the nature and extent of their anticipated involvement in the review process. Interveners should also provide comments on whether a Streamlined Review Process or written hearing process should be used including where the Streamlined Review Process should be held and whether the participant would attend.

DATED at the City of Vancouver, In the Province of British Columbia, this 4th day of December, 2013.

BY ORDER

Original signed by:

N.E. MacMurchy
Commissioner

Attachment

An Application by Fortis BC Energy Inc. (FEI)
for a Certificate of Public Convenience and Necessity
to Construct and Operate a Transmission Pressure Pipeline
Crossing of the Muskwa River for the Fort Nelson Service Area

REGULATORY TIMETABLE

ACTION	DATE (2013)
Intervener/Interested Party Registration	Thursday, December 12
Intervener Comments on Streamlined Review Process	Thursday, December 12
Commission Information Request No. 1	Wednesday, December 18
Participant Assistance/Cost Award Budget Submission	Wednesday, December 18
Intervener Information Request No. 1	Monday, December 23
ACTION	DATE (2014)
FEI Response to Commission and Intervener Information Request No. 1	Thursday, January 16
Streamlined Review Process or Written Argument	Late January – TBD

PUBLIC NOTICE

BRITISH COLUMBIA UTILITIES COMMISSION



FORTISBC ENERGY INC. APPLICATION FOR CPCN FOR MUSKWA RIVER CROSSING

On November 29, 2013, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (Commission) for a Certificate of Public Convenience and Necessity (CPCN) to construct and operate a replacement pipeline crossing of the Muskwa River for natural gas service to Fort Nelson, British Columbia (Project). The existing pipeline is the sole supply source of natural gas to Fort Nelson and crosses the Muskwa River approximately 3 kilometers southeast of Fort Nelson and approximately 75 meters upstream of the Alaska Highway Muskwa River Bridge. The existing pipeline crossing has become exposed to potential serious damage due to river erosion and the shallow depth of cover of the original installation. The alternative proposed for the crossing and approved by the Commission in 2011 has become unfeasible due to permitting and FEI is now proposing "trenchless" buried alternatives for the crossing at an estimated total cost of \$6.7 million. This is an increase of approximately \$3.6 million above the previously approved \$3.1 million for the replacement crossing that is currently being recovered from FEI's Fort Nelson customers. The Project involves installing a new six inch (NPS 6) pipeline section near the current crossing location, tying into the existing pipeline on both sides of the river and taking the existing NPS 6 crossing section out of service.

HOW TO GET INVOLVED

The Commission is initiating a review of FEI's Application. To view the timetable for this hearing and the Application go to www.bcuc.com select "Current Applications" under "Quick Links" and scroll to "FEI Muskwa Pipeline Crossing CPCN."

If you wish to participate actively in the review process, you may apply to be registered as an Intervener or an Interested Party with the Commission in writing by December 12, 2013 with the Commission Secretary, using the contact information at the end of this notice. Interveners will receive a copy of the Application as well as all hearing documents. You may also apply to become an Interested Party. As an Interested Party, you will receive an executive summary of the Application and a copy of the Commission's decision when it is issued.

The Commission is requesting comments from participants on whether a Streamlined Review Process or a Written Hearing is best suited to this Application and if a Streamlined Review Process is chosen, where should it be held (Vancouver or Fort Nelson) and would the participant attend. The Streamlined Review Process can be reviewed on the Commission's website at www.bcuc.com>Guidelines and Resources>Guidelines>Streamlined Review Process.

All submissions and/or correspondence received from Interveners, and letters of comment from the public relating to the Application will be placed on the public record and posted to the Commission's website.

For more information on ways to get involved in the review, please visit www.bcuc.com and click "How to Get Involved" under "Quick Links" on the home page.

VIEW THE APPLICATION

The Application and all supporting documentation are available on the Commission's website on the "Current Applications" page. If you would like to review the material in hard copy, it is available to be viewed at the locations below:

British Columbia Utilities Commission Sixth Floor, 900 Howe Street Vancouver, BC V6Z 2N3 Commission.Secretary@bcuc.com Phone: 604-660-4700 Toll Free: 1-800-663-1385	FortisBC Energy Inc. 16705 Fraser Highway Surrey, BC V4N 0E8 gas.regulatory.affairs@fortisbc.com
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FOR MORE INFORMATION OR TO REGISTER

For more information or to register please contact Erica Hamilton, Commission Secretary using the Commission contact information above.