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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-48-13**

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

and

FortisBC Energy (Vancouver Island) Inc.
Application for Approval of a Deferral Account in Connection with a Development Agreement
between FortisBC Energy (Vancouver Island) Inc. and Pacific Energy Corporation

BEFORE: L.A. O'Hara, Panel Chair/Commissioner
D.M. Morton, Commissioner April 3, 2013
R.D. Revel, Commissioner

O R D E R

WHEREAS:

- A. On March 5, 2013, FortisBC Energy (Vancouver Island) Inc. (FEVI) and Pacific Energy Corporation (PEC) entered into a Development Agreement, which, among other things, establishes a payment of Commitment Fees from PEC to FEVI and authorizes FEVI to incur Development Costs in connection with a gas pipeline reinforcement project that would be required to provide natural gas transportation service to PEC (Pipeline Reinforcement Project) under a long term Transportation Service Agreement to be entered into between FEVI and PEC (Development Agreement);
- B. A Certificate of Public Convenience and Necessity will be required and applied for at a later date in order to construct the Pipeline Reinforcement Project;
- C. On March 13, 2013, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), FEVI applied to the British Columbia Utilities Commission (Commission) for approval of a non-rate base deferral account, attracting Allowance for Funds Used During Construction to capture the Development Costs and the Commitment Fees that will enable FEVI to commence development work (Application);
- D. The Application also seeks an order from the Commission approving the regulatory and accounting treatment of the Commitment Fees and Development Costs;
- E. The Development Agreement contains a condition precedent which requires the Commission's decision on the Application by no later than April 15, 2013;

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- F. On April 3, 2013, FEVI submitted a letter stating that parties to the Development Agreement have orally agreed, and are in the process of amending the Development Agreement, to extend this date from April 15, 2013 to April 30, 2013. The letter also requested that a decision on the Application be issued no later than April 30, 2013;
- G. The Commission has determined that the regulatory process for the review of the Application should be a Streamlined Review Process, subject to a well reasoned objection from a registered Intervener, and that a regulatory timetable be established.

NOW THEREFORE the Commission orders as follows:

1. A Streamlined Review Process for the review of the Application is established and is to be conducted according to the preliminary Regulatory Timetable attached as Appendix A to this Order.
2. Any registering Intervener should express support for, or objection to, the Streamlined Review Process by Monday, April 8, 2013.
3. Information filed confidentially by FortisBC Energy (Vancouver Island) Inc. will be treated in confidence. Intervener counsel and Interveners who represent FortisBC Energy Inc. customer groups will be provided access to confidential information, subject to filing an Undertaking of Confidentiality in satisfactory form with FortisBC Energy (Vancouver Island) Inc. with a copy to the Commission.
4. The Streamlined Review Process is to take place at 1:00 p.m. on Tuesday, April 23, 2013, at the Commission Hearing Room located on the 12th Floor, 1125 Howe Street, Vancouver, BC.

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

BY ORDER

Original signed by

L.A. O'Hara
Panel Chair/Commissioner

Attachment

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REGULATORY TIMETABLE

ACTION	DATE (2013)
Intervener Registration Deadline	Monday, April 8
Commission and Intervener IRs	Thursday, April 11
Participant Assistance/Cost Award Budgets	Friday, April 12
FEVI response to IRs	Tuesday, April 16
Streamlined Review Process Commission Hearing Room 12th Floor, 1125 Howe Street, Vancouver, BC	Tuesday, April 23 commencing at 1:00 p.m.