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British Columbia
Utilities Commission

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ORDER NUMBER
G-153-17

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Inc.
Application for Approval to Sell Castlegar District Office Property
and Provide Net Proceeds to Customers

BEFORE:
W. M. Everett, Commissioner
B. A. Magnan, Commissioner
R. I. Mason, Commissioner
R. D. Revel, Commissioner

on October 5, 2017

ORDER

WHEREAS:

A. On August 3, 2017, FortisBC Inc. (FortisBC) filed an application with the British Columbia Utilities Commission (Commission) for approval to dispose of the Castlegar District Office (CDO) property, pursuant to section 52 of the *Utilities Commission Act* (UCA), and provide the net proceeds to customers (Application);

B. FortisBC also requests approval in the Application to establish a non-rate base deferral account (the Castlegar Office Disposition deferral account) to record the net book value of the CDO property and the net proceeds of the sale, financed at FortisBC's short-term interest rate. FortisBC proposes to address the disposition of the deferral account in the annual review of 2019 rates filing, once the sale is completed and the final balance is known;

C. FortisBC filed a confidential and a redacted, public version of the Application and requests that the Commission hold the confidential version of the Application in confidence on the basis that it contains commercially sensitive details about the valuation and listing of the property;

D. By Order C-2-16 dated March 4, 2016, the Commission granted a Certificate of Public Convenience and Necessity (CPCN) to FortisBC for the Kootenay Operations Centre (KOC) project, with the additional scope to include the consolidation of the CDO property and six Network Services staff from the Warfield Complex;

E. The CDO property has been used to house line operations and other supervisory staff and the yard has provided space for fleet and material storage;

F. Upon completion of the KOC, materials and staff will be moved from the CDO property to the KOC. FortisBC has determined that the CDO property can be sold once the site-reclamation and clean-up are completed;

G. On August 31, 2017, FortisBC provided confidential responses to Commission staff questions regarding the Application; and

H. The Commission has reviewed the Application and considers that approval should be granted.

NOW THEREFORE the Commission orders as follows:

1. The disposition by FortisBC of the CDO property is approved, pursuant to section 52 of the *Utilities Commission Act*.

2. The establishment of the Castlegar Office Disposition deferral account, financed at FortisBC's short-term interest rate, is approved. The deferral account is to record:

    - The net book value of the land and buildings of the Castlegar District Office property as of the date of sale; and
    - The sale proceeds, net of disposal costs and taxes payable.

3. FortisBC is directed to confirm the completion of the sale of the CDO property, and provide details of the final balance in the Castlegar Office Disposition deferral account, within 60 days of completion.

4. FortisBC is directed to propose the disposition of the Castlegar Office Disposition deferral account in the annual review of 2019 rates filing.

5. The Commission will hold the confidential version of the Application and the confidential responses to Commission staff questions in confidence until FortisBC confirms completion of the sale, on the basis that they contain commercially sensitive information.

DATED at the City of Vancouver, in the Province of British Columbia, this 5th day of October 2017.

BY ORDER

Original signed by:

R. I. Mason
Commissioner