



ORDER NUMBER
G-282-22

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

and

Plateau Pipe Line Ltd.
Abandonment of Service for the Western System (South)

BEFORE:

C. M. Brewer, Panel Chair
B. A. Magnan, Commissioner
W. M. Everett, KC, Commissioner

on October 11, 2022

ORDER

WHEREAS:

- A. On June 14, 2022, pursuant to sections 65 and 72(2) of the *Utilities Commission Act* (UCA), Plateau Pipe Line Ltd. (Plateau), as general partner of Pembina West Limited Partnership (PWLP), filed an application with the British Columbia Utilities Commission (BCUC) for an order approving the abandonment of service as a common carrier on the southern segment (Southern Segment) of the Western Pipeline System (Western System), (Application);
- B. The Western System is a crude oil pipeline constructed in 1961 that comprises two sections. The Northern Segment runs south from Taylor, British Columbia (BC) to Prince George, BC. The Southern Segment of the Western System runs from Prince George, BC to Kamloops, BC;
- C. The BCUC, by way of Order P-7-00, dated September 14, 2000, determined Pembina Pipeline Corporation ("Pembina"), as owner of the Western System, to be a common carrier for the purposes of Part 7 of the Pipeline Act, and Part 4, of the UCA;
- D. In the Application, Plateau submits the Southern Segment of the Western System has no current throughput due to the absence of nominations. It further submits that nominations declined from an historical three shippers to a single shipper by the beginning of 2016, and that there have been no nominations for either firm or interruptible volumes from shippers since September 2016;
- E. Plateau submits the tolls, considered uneconomic by shippers, as evidenced by the lack of demand for service and the cost of pipeline integrity activities, means the Southern Segment is no longer a competitive or viable option, is no longer used and useful, and has reached the end of its economic life;
- F. By Order G-233-22A, dated August 17, 2022, the BCUC established a public hearing and regulatory timetable for the review of the Application which consisted of, among other things, public notice, one round of BCUC Information Requests (IR), Plateau response to BCUC IR and a letter of comment period, with further process to be determined;

- G. The BCUC did not receive any letters of comment;
- H. Plateau confirms that the abandonment of service and the deactivation of the Southern Segment will not be financed by increased tolls for shippers on the Northern Segment and it has the financial resources to support the deactivation and potential abandonment of the Southern Segment;
- I. Plateau submits that this Application will not affect or remove the BCUC's oversight under Part 4 of the UCA over the portion of the Northern Segment running from Taylor to Prince George;
- J. Plateau submits, that any return of the Southern Segment to common carrier status would require a subsequent application to the BCUC pursuant to Part 4 of the UCA;
- K. Plateau states that the lack of letters of comment is consistent with its submission that the Application will not adversely affect any other persons or companies and abandonment of common carrier service on the Southern Segment is reasonable and in the public interest; and
- L. The BCUC has reviewed the Application and evidentiary record and determines the following order is warranted.

NOW THEREFORE the BCUC orders, pursuant to section 65 of the UCA, that Plateau, PWLP and Pembina are granted leave to abandon service as a common carrier on the Southern Segment of the Western Pipeline System.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of October 2022.

BY ORDER

Original signed by:

C. M. Brewer
Commissioner