



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER C-3-15**

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

and

FortisBC Energy Inc.

Application for Approval to Collect Operating or Franchise Fees from Customers in the
Town of View Royal, the District of Saanich and the District of Highlands

BEFORE: L. F. Kelsey, Commissioner
C. A. Brown, Commissioner
H. G. Harowitz, Commissioner
K. A. Keilty, Commissioner
I. F. MacPhail, Commissioner
B. A. Magnan, Commissioner
D. M. Morton, Commissioner
R. D. Revel, Commissioner

April 16, 2015

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

WHEREAS:

- A. FortisBC Energy Inc. (FEI), formerly known as Centra Gas British Columbia Inc. (Centra Gas) and the Town of View Royal entered into an operating agreement (View Royal Agreement). The View Royal Agreement was approved by British Columbia Utilities Commission (Commission) Order C-8-94 and expires on September 30, 2015;
- B. Centra Gas and the District of Saanich entered into an operating agreement (Saanich Agreement). The Saanich Agreement was approved by Commission Order C-10-99 and expires on November 26, 2019;
- C. Centra Gas and the District of Highlands entered into an operating agreement (Highlands Agreement). The Highlands Agreement was approved by Commission Order C-7-04 and expires on March 28, 2024;
- D. The View Royal Agreement, the Saanich Agreement, and the Highlands Agreement (collectively the Agreements) each set out terms related to the levying of an operating or franchise fee under Part 4, Sections 7 and 8. Operating or franchise fees can be levied if authorized by Legislation;
- E. The *Vancouver Island Natural Gas Pipeline Act* (VINGPA), which previously contained two sections that prevented local governments from collecting operating or franchise fees, was recently amended by Bill 4 –

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2

2014 Miscellaneous Statutes Amendment Act (No. 2). Sections 5 and 7(5) of the VINGPA were repealed effective November 27, 2014 and January 1, 2015;

- F. The Town of View Royal, the District of Saanich and the District of Highlands (collectively the Municipalities) contacted FEI and advised of their intention to levy an operating or franchise fee of 3 percent and requested that FEI seek the necessary regulatory approvals to implement the collection of the operating or franchise fee from customers as a line item on their bills in each of the Municipalities;
- G. On February 25, 2015, FEI filed for approval to collect operating or franchise fees of 3 percent by adding a line item on customer bills in each of the Municipalities. FEI also requests that implementation be effective within 90 days of the Commission order; and
- H. The Commission reviewed the Application and considers that approval is warranted.

NOW THEREFORE pursuant to section 45 of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

1. FortisBC Energy Inc. is to collect an operating or franchise fee in the amount of 3 percent of FEI's gross revenue, not including the Provincial Sales tax or the Goods and Service tax, from customers as a line item on their bills in the Town of View Royal, the District of Saanich and the District of Highlands, pursuant to each of their Operating Agreements.
2. FortisBC Energy Inc. is to implement the collection of the operating or franchise fees within 90 days of the date of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th of April 2015.

BY ORDER

Original signed by:

D. Morton
Commissioner