



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER F-16-13**

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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 June 11, 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 that 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 the 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. Commission Order G-48-13 established a Streamlined Review Process (SRP) for the review of the Application and the SRP took place on at 1:00 p.m. on Tuesday, April 23, 2013;
- A. Three interveners registered as participants for the proceeding: the Commercial Energy Consumers Association of British Columbia (CEC), the British Columbia Sustainable Energy Association-Sierra Club of British Columbia (BCSEA) and the British Columbia Pensioners' and Seniors' Organization (BCPSO);
- H. By Order G-66-13A dated April 26, 2013, the Commission issued its Decision on the FEVI request for a Deferral Account in Connection with a Development Agreement between FEVI and PEC;
- I. Commission Order G-72-07 established Guidelines for Participant Assistance/Cost Award (PACA) applications;
- J. The CEC, BCSEA and BCPSO submitted budget estimates and final applications for PACA funding to the Commission for their participation in the proceeding;
- K. In letters dated May 17, 2013 and June 7, 2013 regarding the PACA applications by BCSEA, CEC and BCPSO, FEVI stated that it reviewed the PACA applications and has no objections or comments on the PACA applications submitted;
- L. The Commission has reviewed the BCSEA, CEC and BCPSO PACA applications with regard to the criteria and rates set out in the PACA Guidelines in Commission Order G-72-07.

NOW THEREFORE pursuant section 118(1) of the *Utilities Commission Act*, the Commission orders as follows:

- 1. The Commission awards funds to the following Intervenors for their participation in the FortisBC Energy (Vancouver Island) Inc. Application for a Deferral Account in Connection with a Development Agreement between FortisBC Energy (Vancouver Island) Inc. and Pacific Energy Corporation:

INTERVENER	AWARD
British Columbia Pensioners' and Seniors' Organization (BCPSO)	\$4,625.00
B.C. Sustainable Energy Association et al. (BCSEA)	\$5,473.91
Commercial Energy Consumers of BC (CEC)	\$4,992.75
TOTAL	\$15,091.66

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2. FEVI is directed to reimburse the above-noted Participants for the award amounts in a timely manner.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of June 2013.

BY ORDER

Original signed by:

L.A. O'Hara
Panel Chair/Commissioner