

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-32-12**

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



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

and

An Application by FortisBC Energy Inc.
for Approval of Operating Terms Between the District of Coldstream and FEI

BEFORE: L.F. Kelsey, Commissioner
D.M. Morton, Commissioner March 8, 2012
R.D. Revel, Commissioner

O R D E R

WHEREAS:

- A. FortisBC Energy Inc. (FEI) (formerly BC Gas Inc. and Terasen Gas Inc.) entered into a Certificate of Public Convenience and Necessity (CPCN) to operate its system in the District of Coldstream (the Municipality) on October 10, 1967;
- B. On January 28, 1991, FEI entered into a Franchise Agreement with the Municipality that expired on August 11, 2010 (the Franchise Agreement);
- C. On three occasions, FEI applied to the British Columbia Utilities Commission (Commission) for approval of an extension of the Franchise Agreement as the parties were unable to agree to terms of a new Operating Agreement. The Commission approved these requests on September 30, 2010 in Order C-7-10, February 10, 2011 in Order C-2-11 and August 18, 2011 in Order C-10-11;
- D. On January 3, 2012, FEI applied to the Commission for approval of an additional extension of the Franchise Agreement to June 30, 2012 as the parties continued to be unable to agree to terms of a new Operating Agreement, and on January 26, 2012, Commission Order C-1-12 approved the requested extension (the Existing Agreement);
- E. On February 27, 2012, FEI applied to the Commission under section 32 of the *Utilities Commission Act* for approval of Operating Terms between the Municipality and FEI (the Application);
- F. On February 29, 2012, the Municipality's legal counsel filed a letter to the Commission which raised concerns with the Application (Municipality Letter);

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-32-12

2

- G. The Commission has reviewed the Application and the Municipality Letter and has determined a regulatory process is warranted.

NOW THEREFORE the Commission orders as follows:

1. A written hearing process is established for the review of the Application, following the Regulatory Timetable attached as Appendix A of this Order.
2. With regards to comments filed in this proceeding, the Commission requests that FEI and the Municipality address the following, where appropriate:
 - a. Identify risks of specific issues raised;
 - b. Identify a reasonable example to illustrate the risk;
 - c. Identify the likelihood or probability of the risk occurring;
 - d. Explain what outcome would be experienced in the event that identified risks materialize and;
 - e. Explain if, in the past, the Municipality has experienced any instances of disagreement with FEI regarding operational matters.

The Commission also reminds both parties that assertions made in this proceeding should be supported by reasonable evidence.

3. The Commission requests that FEI apply to the Commission for approval of a mutually acceptable extension to the Existing Agreement, in a timely manner and ahead of the expiration of the Existing Agreement.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th of March 2012.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachment

An Application by FortisBC Energy Inc.
for Approval of Operating Terms Between the District of Coldstream and FEI

REGULATORY TIMETABLE

ACTION	DATE (2012)
District of Coldstream Comments District of Coldstream Information Requests to FEI	Wednesday, March 21
FEI Response to District of Coldstream Comments FEI Response to District of Coldstream Information Requests FEI Information Requests to District of Coldstream	Wednesday, April 4
District of Coldstream Response to FEI Information Requests	Friday, April 20
FEI Final Argument Submissions	Monday, June 4
District of Coldstream Reply to FEI Final Argument Submissions	Monday, June 11
FEI Reply to District of Coldstream Reply to FEI Final Argument Submissions	Monday, June 18