



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-166-12

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

and

Application by FortisBC Energy Inc.
for Approval to Amend Rate Schedule 16 on a Permanent Basis

BEFORE: A.A. Rhodes, Panel Chair/Commissioner
B.A. Magnan, Commissioner November 6, 2012
D.M. Morton, Commissioner

O R D E R

WHEREAS:

- A. The British Columbia Utilities Commission (Commission) issued Order G-65-09 dated June 4, 2009 establishing, as part of the Terasen Gas Inc., now FortisBC Energy Inc. (FEI), Gas Tariff, Rate Schedule 16 – Interruptible Liquefied Natural Gas Sales and Dispensing Service as an approximately five-year pilot for the period ending December 31, 2014;
- B. Rate Schedule 16, as currently approved, offers an interruptible Liquefied Natural Gas (LNG) sales and dispensing service at the FEI LNG peak shaving facility at Tilbury (Tilbury Facility). Under this Rate Schedule, the Available LNG Capacity is limited to 1040 Gigajoules per Day with the further limitation that an individual Customer's Contract Demand may not exceed 50 percent of the Available LNG Capacity;
- C. On May 14, 2012, the Lieutenant Governor In Council approved the *Greenhouse Gas Reduction (Clean Energy) Regulation, B.C. Reg. 102/2012* (the GGRR);
- D. On September 24, 2012, FEI applied to the Commission, pursuant to sections 59-61 of the *Utilities Commission Act*, for approval of a permanent amended Rate Schedule 16 to provide LNG sales and dispensing service on long-term and short-term firm bases, and on a spot load basis (the Application);
- E. In the Application, FEI proposes that the service under Rate Schedule 16 be amended to increase utilization of FEI's Tilbury Facility for the supply of LNG and to also include the Mt. Hayes LNG facility operated by FortisBC Energy (Vancouver Island) Inc. FEI also requests a number of additional approvals to amend the rate and rate design to effect the proposed amendments to Rate Schedule 16 and to implement the services to be provided under the amended Rate Schedule 16;
- F. The Application included a proposed written regulatory process with one round of Information Requests (IRs) and an expedited timetable for review of the Application;

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- G. On October 5, 2012, the Commission issued Order G-143-12 requesting parties that wish to participate in the regulatory review process for this Application as Interveners or Interested Parties, to register with the Commission, in writing, by Wednesday, October 17, 2012, and to indicate the nature and extent of their anticipated involvement in the review process and the issues they wish to explore;
- H. By Order G-158-12 dated October 26, 2012, the Commission established a Written Hearing process and a Preliminary Regulatory Timetable setting a first round of IRs and a date of January 14, 2013, for a Procedural Conference in which the nature and extent of further regulatory process would be determined. The draft regulatory timetables for the period beyond the Procedural Conference set out the timetable for a second round of IRs with and without the opportunity for filing Intervener Evidence;
- I. On October 31, 2012, FEI filed a Request for Variance of Order G-158-12 (Request for Variance). In the Request for Variance, FEI expresses concern that the length of the regulatory process established by Order G-158-12 for review of the Application will impede FEI's ability to implement prescribed undertakings under the GGRR;
- J. In its Request for Variance, FEI requests that the Commission consider a more expeditious process with a condensed regulatory timetable with one round of IRs and a Streamlined Review Process (SRP) such that a decision can be made by the Commission in January 2013;
- K. In a letter to FEI dated November 5, 2012, the Commission responded to concerns FEI raised in the Request for Variance and indicated it would review the regulatory process and regulatory timetable;
- L. The Commission reviewed the Request for Variance and determined that an SRP is not an appropriate process for the review of the Application given the number of complex issues that are anticipated to be addressed. The Commission determined that the regulatory review process should remain a Written Hearing process and the timetable be varied such that the Procedural Conference to determine the nature and extent of the review process is scheduled earlier in the regulatory timetable.

NOW THEREFORE the Commission orders as follows:

- 1. The Written Hearing Process established by Order G-158-12 for the review of the Application is amended and the regulatory process is to be conducted according to the Revised Preliminary Regulatory Timetable attached as Appendix A to this Order.
- 2. A Procedural Conference will be held on Monday December 10, 2012, commencing at 9:00 a.m. in the Commission Hearing Room on the 12th Floor, 1125 Howe Street, Vancouver, B.C.
- 3. The Procedural Conference will address such matters as:
 - a. Identification of principle issues arising from or related to the Application;
 - b. The need for and nature of further regulatory process;
 - c. The timetable for such further process (additional information requests, responses, intervener evidence, rebuttal evidence, final argument and reply argument);

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- d. Other matters that will assist the Commission to efficiently review all aspects of the Application.

Following the Procedural Conference, the Commission will issue a further procedural Order and Regulatory Timetable for the Application's review.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of November 2012.

BY ORDER

Original signed by:

B.A. Magnan
Commissioner

Attachment

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REVISED PRELIMINARY REGULATORY TIMETABLE

ACTION	DATE (2012)
Commission Information Request No. 1 to FEI	Friday, November 23
Participant Assistance/Cost Award Budgets	Wednesday, November 28
Intervener Information Request No. 1 to FEI	Friday, November 30
FEI Response to Commission Information Request No. 1	Friday, December 7
Procedural Conference to Determine Further Regulatory Process	Monday, December 10
FEI Response to Intervener Information Request No. 1	Friday December 14