



**ORDER NUMBER**  
**G-98-17**

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

and

FortisBC Energy Inc. and City of Surrey Applications for  
Approval of Terms for an Operating Agreement

**BEFORE:**

R. I. Mason, Panel Chair/Commissioner  
W. M. Everett, QC, Commissioner  
B. A. Magnan, Commissioner

on June 21, 2017

**ORDER**

**WHEREAS:**

- A. On May 17, 2017, the City of Surrey applied to the British Columbia Utilities Commission (Commission) for an order pursuant to subsection 32(2) of the *Utilities Commission Act* (UCA) specifying the terms under which FortisBC Energy Inc. (FEI) may install, operate and maintain its distribution equipment in public places within Surrey's boundary limits (City of Surrey Application);
- B. On May 18, 2017, FEI applied to the Commission pursuant to section 32 of the UCA, or alternatively section 33 of the UCA, for approval of new operating terms with the City of Surrey (FEI Application). The new operating terms would, among other things, establish new protocols for interaction between the parties, address the allocation of costs when the City of Surrey requires FEI to relocate its facilities, and provide for FEI to collect operating fees on behalf of the City of Surrey from FEI customers in the City of Surrey;
- C. On December 13, 1955, the Public Utilities Commission issued a Certificate of Public Convenience and Necessity which granted the British Columbia Electric Company (BCEC) to operate a natural gas distribution system in the District of Surrey pursuant to section 12 of the *Public Utilities Act*;
- D. On June 13, 1957, the Corporation of the District of Surrey (District of Surrey) and BCEC became parties to an operating agreement under which BCEC may install, operate and maintain its distribution equipment in public places within District of Surrey's boundary limits (1957 Agreement). In addition, the 1957 Agreement does not have an expiration date;
- E. In 1964, BCEC was amalgamated into the British Columbia Hydro and Power Authority (BC Hydro), a Crown corporation. The Lower Mainland natural gas assets of BC Hydro were privatized in 1988 and the natural gas assets transferred to 74280 B.C. Ltd. Subsequently, 74280 B.C. Ltd. became Terasen Gas Inc. and on March 1, 2011, Terasen Gas Inc. was renamed FortisBC Energy Inc.;

- F. In 1993, the District of Surrey became the City of Surrey;
- G. The 1957 Agreement is the existing agreement between FEI and the City of Surrey. The two parties have been engaged in negotiations since 2013 for replacement operating terms to reach a new agreement (Operating Agreement) to replace the 1957 Agreement;
- H. On November 8, 2016, the parties entered into an interim agreement that provided for the termination of the 1957 Agreement and its replacement by terms to be negotiated, or failing agreement, the parties would seek Commission approval for terms that were still unresolved by May 31, 2017;
- I. FEI and the City of Surrey have settled most of the new operating terms, but the parties disagree over the issues listed in the FEI Application and the City of Surrey Application;
- J. FEI and the City of Surrey each filed their proposed Operating Agreements as Appendix A in the FEI Application and Appendix B in the City of Surrey Application, which include all settled operating terms and FEI's and the City of Surrey's respective proposals for the outstanding items; and
- K. The Commission has reviewed the FEI Application and the City of Surrey Application and considers that a regulatory timetable should be established. Given that both applications are related to the new operating terms between the two parties, the Commission will hear both applications together in a single proceeding.

**NOW THEREFORE**, in accordance with section 32 (2) of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

1. A regulatory timetable is established, as set out in Appendix A to this order.
2. FortisBC Energy Inc. must provide notice of the FortisBC Energy Inc. Application and the City of Surrey Application with a copy of this order to all FortisBC Energy Inc. customers in the City of Surrey, BC, by publishing the Public Notice as set out in Appendix B to this order on or before Friday July 28, 2017.
3. The City of Surrey is requested to post a notice on its website of the FortisBC Energy Inc. Application and the City of Surrey Application with a copy of this order by Friday July 28, 2017, as set out in Appendix B to this order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 21<sup>st</sup> day of June 2017.

BY ORDER

*Original signed by:*

R.I. Mason  
Commissioner

Attachments

FortisBC Energy Inc. and City of Surrey Applications for  
Approval of Terms for an Operating Agreement

**REGULATORY TIMETABLE**

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Action	Date (2017)
FEI Notice to City of Surrey Customers	Friday, July 28
Intervener Registration	Friday, August 11
Commission Information Request No. 1 to FEI and City of Surrey	Friday, August 18
FEI and Intervener Information Request No. 1 to City of Surrey	Friday, September 8
City of Surrey and Intervener Information Request No. 1 to FEI	Friday, September 8
FEI and City of Surrey Response to Commission and Intervener Information Request No. 1	Friday, September 29
Participant Comments on Further Process	Friday, October 13
Further Process	To Be Determined



# PUBLIC NOTICE

## *FortisBC Energy Inc. and City of Surrey Applications for Approval of Terms for an Operating Agreement*

On May 17, 2017, the City of Surrey applied to the British Columbia Utilities Commission (Commission) for an order pursuant to subsection 32(2) of the *Utilities Commission Act (UCA)* specifying the terms under which FortisBC Energy Inc. (FEI) may install, operate and maintain its distribution equipment in public places within Surrey's boundary limits (City of Surrey Application)

On May 18, 2017, FEI applied to the Commission, pursuant to section 32 of the UCA, or alternatively section 33 of the UCA, for approval of new operating terms with the City of Surrey (FEI Application).

Given that the FEI Application and the City of Surrey Application are both related to the new operating terms between the two parties, the Commission will hear both applications together in a single proceeding.

### HOW TO PARTICIPATE

There are a number of ways to participate in a matter before the Commission:

- **Submit a letter of comment**
- **Register as an interested party**
- **Request intervener status**

For more information, or to find the forms for any of the options above, please visit our website or contact us at the information below.

[www.bcuc.com/RegisterIndex.aspx](http://www.bcuc.com/RegisterIndex.aspx)

All submissions received, including letters of comment, are placed on the public record, posted on the Commission's website and provided to the Panel and all participants in the proceeding.

### NEXT STEPS

1. **Intervener registration** Persons who are directly or sufficiently affected by the Commission's decision or have relevant information or expertise and that wish to actively participate in the proceeding can request intervener status by submitting a completed Request to Intervene Form by Friday August 11, 2017.

All documents filed on the public record are available on the “Current Proceedings” page of the Commission’s website at [www.bcuc.com](http://www.bcuc.com).

If you would like to review the material in hard copy, or if you have any other inquiries, please contact the Commission Secretary, at the following contact information.

**British Columbia Utilities Commission**



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