



ORDER NUMBER

G-66-18

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 March 22, 2018

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 authorized 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. By Order G-98-17 dated June 21, 2017, the Commission established a regulatory timetable for the proceeding which included information requests on the FEI Application and the City of Surrey Application and an opportunity for participants to provide comments on further process;
- L. By Order G-163-17 dated November 2, 2017, the Commission established a regulatory timetable after reviewing the submissions on further process. The revised timetable included an opportunity for parties to file evidence and a second round of information requests;
- M. By Order G-201-17, the Commission further amended the timetable to extend the information request no. 2 deadlines;
- N. By March 2, 2018, FEI and City of Surrey filed their responses to information request no. 2; and
- O. The Commission considers that establishment of an amended regulatory timetable is warranted.

NOW THEREFORE the Commission establishes an amended regulatory timetable, as outlined in Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of March 2018.

BY ORDER

Original signed by:

R. I. Mason
Commissioner

Attachment

FortisBC Energy Inc. and City of Surrey Applications for
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REGULATORY TIMETABLE

Action	Date (2018)
Panel Information Request No. 1 to City of Surrey	Thursday, March 22
City of Surrey Response to Panel Information Request No. 1	Thursday, March 29
Further Process	To Be Determined