



**ORDER NUMBER**

**G-191-18**

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 October 5, 2018

**ORDER**

**WHEREAS:**

- A. On May 17, 2017, the City of Surrey applied to the British Columbia Utilities Commission (BCUC) 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 BCUC 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 BCUC 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;
- K. By Order G-98-17 dated June 21, 2017, the BCUC 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 BCUC 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 dated December 29, 2017, the BCUC further amended the timetable to extend the information request no. 2 deadlines;
- N. By Order G-66-18 dated March 22, 2018, the BCUC established an amended regulatory timetable which included a Panel information request to the City of Surrey and an opportunity for participants to provide comments on further process;
- O. By April 30, 2018, FEI, City of Surrey and intervener Richard T. Landale (Landale) submitted comments on further process. FEI has conferred with the City of Surrey, Commercial Energy Consumers Association and British Columbia Old Age Pensioners Organization *et al.* and submitted that the evidentiary record in the proceeding is sufficient and these parties have agreed it is appropriate to proceed to the Final Argument stage. City of Surrey confirmed it supports moving directly to the Final Argument stage. Landale states that Final Arguments are all that is necessary to complete the hearing process, indicating that Reply Arguments are not necessary unless the Panel deems it necessary. Landale additionally suggested that an Oral Hearing should precede the argument phase;
- P. By Order G-92-18 dated May 14, 2018, the BCUC established an amended regulatory timetable which included written final arguments from all parties and reply arguments from FEI and City of Surrey;
- Q. By June 28, 2018, all registered parties provided final and reply arguments and the evidentiary record was closed; and
- R. The Panel has reviewed the submissions and considers that reopening the evidentiary record of the proceeding to allow for further information to be requested from the applicants to inform its decision in the proceeding is warranted.

**NOW THEREFORE** the BCUC orders that the evidentiary record is reopened and the regulatory process is to proceed in accordance with the regulatory timetable as set out in Appendix A to this order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 5<sup>th</sup> day of October 2018.

BY ORDER

*Original signed by:*

R. I. Mason  
Commissioner

Attachment

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

**REGULATORY TIMETABLE**

---

Action	Date (2018)
Panel Information Requests on Use and Occupancy of Public Places by a Public Utility to FEI and City of Surrey	Friday, October 5
FEI and City of Surrey Responses to Panel Information Requests on Use and Occupancy of Public Places by a Public Utility	Thursday, October 18
Further Process	To Be Determined