



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-126-14**

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

and

An Application by the FortisBC Energy Utilities (FEU) consisting of FortisBC Energy Inc., FortisBC Energy (Vancouver Island) Inc. and FortisBC Energy (Whistler) Inc. for  
Removal of the Restriction on the Location of Data and Servers Providing Service to the FEU

**BEFORE:** L.A. O'Hara, Panel Chair/Commissioner  
N.E. MacMurchy, Commissioner August 29, 2014  
K.A. Keilty, Commissioner

**O R D E R**

**WHEREAS:**

- A. On August 17, 2005, Kinder Morgan, Inc. and 0731297 B.C. Ltd. (collectively KMI) applied to the British Columbia Utilities Commission (Commission), pursuant to Section 54 of the *Utilities Commission Act* for an Order approving the acquisition of the common shares of (then) Terasen Inc., which would cause KMI to have indirect control of the (then) Terasen Utilities;
- B. On November 10, 2005, the Commission issued its Decision and Order G-116-05 (KMI Decision) granting conditional approval and restricting, among other conditions, the location of functions and data as set out in section 7.2.3 of the Decision:  
*"7.2.3 Location of Functions and Data*  
*In order to address privacy concerns and other concerns, the Commission Panel determines that it would be appropriate to attach a condition to approval of the Transaction that requires KMI not to change the geographic location of any existing functions or data currently in TGI's service area without prior approval of the Commission";*
- C. On April 20, 2006, the (then) Terasen Utilities sought clarification from the Commission on section 7.2.3 of the KMI Decision;
- D. On June 26, 2006, the Commission issued Order G-75-06, revising the KMI Decision conditions with respect to the location of data and servers that provide service to the (then) Terasen Utilities as follows:

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*“The Commission orders that the location of data and servers providing service to the Terasen Utilities is to be restricted to Canada and that any proposal to locate data and servers providing services to the Terasen Utilities (including data and servers providing back-up services) outside Canada will require the Commission’s approval”;*

- E. On June 26, 2006, the Commission issued Letter L-30-06 further clarifying that the location of the data is determined by the location of the server, and that any change to the geographic location of any data that was located in the service area as of November 10, 2005, would require Commission approval;
- F. On March 1, 2007, Fortis Inc. (Fortis) applied to acquire the issued and outstanding shares of Terasen Inc. from KMI. In the application, Fortis acknowledged and accepted the continued application of the data and server location restriction established by Commission Order G-116-05, revised by Order G-75-06, and clarified by Letter L-30-06;
- G. On April 30, 2007, the Commission issued its Decision and Order G-49-07 granting approval of Fortis’ March 1, 2007 application subject to certain conditions. With respect to the location of functions and data, the Commission Panel determined that:

*“... the Conditions should be imposed relating to ring-fencing, governance and location of functions and data as set out in Commission Decision and Order No. G-116-05, revised by Commission Order No. G-75-06 and clarified by Commission Letter No. L-30-06 related to the previous application by KMI to acquire Terasen as conditions to the approval of the Application”;*

- H. On August 1, 2014, the FortisBC Energy Utilities (FEU) applied for removal of the restriction on the location of data and servers providing service to the FEU (Application) based on the FEU’s view that the restriction is no longer necessary and that removal is required to ensure consistency with other utilities in British Columbia, and to enable the FEU to source information and technology solutions to provide the best value and benefit for customers;
- I. In the August 1, 2014 Application the FEU submit a written hearing process is appropriate for the review of the Application and propose a regulatory timetable; and
- J. The Commission considers that establishing a written public hearing and regulatory timetable for the registration of Interveners and for the review of the Application is warranted and in the public interest.

**NOW THEREFORE** the Commission orders as follows:

- 1. The Application will be examined by a written public hearing process in accordance with the Regulatory Timetable attached as Appendix A.

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2. The FortisBC Energy Utilities must publish, as soon as possible, in display-ad format, the Public Notice attached as Appendix B to this Order in the appropriate local news publications to provide adequate notice to customers in the affected service areas and provide confirmation to the Commission of such.
3. The FortisBC Energy Utilities must send the Public Notice attached as Appendix B to this Order to those parties registered as Interveners and Interested Parties in the following proceedings:
  - i. an Application by Kinder Morgan, Inc. and 0731297 B.C. Ltd. for Approval of the Acquisition of the Common Shares of Terasen Inc., which resulted in Order G-116-05;
  - ii. an Application by Fortis Inc. for Approval of the Acquisition of the Issued and Outstanding Shares of Terasen Inc., which resulted in Order G-49-07; and
  - iii. an Application by FortisBC Energy Inc. for approval of a Multi-Year Performance Based Ratemaking Revenue Requirements Plan for the years through 2014-2018.
4. The Application, together with any supporting materials, will be made available for inspection at the FortisBC Energy Utilities Office, 16705 Fraser Highway, Surrey, BC, V4N 0E8 and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3. The Application and supporting materials will also be available on the FortisBC Utilities' website at [www.fortisbc.com](http://www.fortisbc.com) and on the Commission's website at [www.bcuc.com](http://www.bcuc.com).
5. Interveners and Interested Parties must register with the Commission, in writing or by electronic submission, on or before Tuesday, September 30, 2014. Interveners must specifically state the nature of their interest in the Application and identify the issues within the application that they intend to pursue during the proceeding, as well as the nature and extent of their anticipated involvement in the review process. Information filed in the proceeding will be made public via the Commission's website.

**DATED** at the City of Vancouver, In the Province of British Columbia, this 29<sup>th</sup> day of August 2014.

BY ORDER

*Original signed by*

L.A. O'Hara  
Commissioner

Attachment

An Application by the FortisBC Energy Utilities (FEU) consisting of FortisBC Energy Inc., FortisBC Energy (Vancouver Island) Inc. and FortisBC Energy (Whistler) Inc.  
For Removal of the Restriction on the Location of Data and Servers Providing Service to the FEU

**REGULATORY TIMETABLE**

<b>ACTION</b>	<b>DATE (2014)</b>
Intervener and Interested Party Registration	Tuesday, September 30
Commission Information Request No. 1 to FEU	Tuesday, September 30
Intervener Information Request No. 1 to FEU	Tuesday, October 7
FEU Response to Information Requests No. 1	Tuesday, October 21
Further Process	To Be Determined

# PUBLIC NOTICE

BRITISH COLUMBIA UTILITIES COMMISSION



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## FORTISBC ENERGY UTILITIES INC. APPLICATION TO REMOVE RESTRICTION ON THE LOCATION OF DATA AND SERVERS PROVIDING SERVICE TO THE FEU, CURRENTLY RESTRICTED TO CANADA

The FortisBC Energy Utilities (FEU) applied to the British Columbia Utilities Commission (Commission) for removal of a restriction on the location of data and servers providing service to the FEU. The FEU data and servers are currently restricted to Canada by a Commission Order.

### HOW TO GET INVOLVED

Persons wishing to actively participate in the proceeding must register as Interveners through the Commission's website at [www.bcuc.com](http://www.bcuc.com) or in writing by September 30, 2014. In their registration, Interveners must identify the issues they intend to pursue and indicate the extent of their anticipated involvement in the review process. Interveners will each receive a copy of all non-confidential correspondence and filed documentation, and must provide an email address if available.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as Interested Parties through the Commission's website or in writing, by September 30, 2014, identifying their interest in the proceeding. Interested Parties receive electronic notice of submissions and a copy of the Decision when it is released.

Letters of comment on the Application will also be accepted. All submissions and/or correspondence received relating to the Application are provided to the Panel and all participants in the proceeding. Submissions are placed on the public record and posted to the Commission's website. By participating and/or providing comment on the Application, you agree that all submissions will be placed on the public record and posted on the Commission's website.

### VIEW THE APPLICATION

The Application and all supporting documentation are available on the Commission's website under "Current Applications." If you would like to review the material in hard copy, it is available to be viewed at the locations below:

<b>British Columbia Utilities Commission</b> Sixth Floor, 900 Howe Street Vancouver, BC V6Z 2N3 <a href="mailto:Commission.Secretary@bcuc.com">Commission.Secretary@bcuc.com</a> Phone: 604-660-4700 Toll Free: 1-800-663-1385	<b>FortisBC Energy Utilities</b> 16705 Fraser Highway Surrey, BC, V4N 0E8
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### FOR MORE INFORMATION OR TO REGISTER

For more information please contact Erica Hamilton, Commission Secretary using the Commission contact information above.