

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3
CANADA



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-31-98

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

and

An Application by BC Gas Utility Ltd.
for a Certificate of Public Convenience and Necessity
regarding its Southern Crossing Pipeline Project

BEFORE: L.R Barr, Deputy Chair)
K.L. Hall, Commissioner) April 3, 1998
F.C. Leighton, Commissioner)

O R D E R

WHEREAS:

- A. On May 30, 1997 BC Gas Utility Ltd. ("BC Gas") applied to the Commission, pursuant to Section 45 of the Utilities Commission Act ("the Act"), for a Certificate of Public Convenience and Necessity ("CPCN") to expand its existing Interior Transmission System pipeline a distance of approximately 310 km (193 miles), with a 610 mm, (24-inch) pipeline, from Yahk to Oliver, B.C. The CPCN will allow the Utility to construct and operate certain loop and compression facilities which comprise the Southern Crossing Pipeline ("SCP") Project. The SCP Project was previously referred to in the SCP Project Engineering Report and the BC Gas 1997 Integrated Resource Plan update that were filed with the Commission on February 7, and May 5, 1997. These filings were incorporated as appendices to the CPCN application; and
- B. On June 26, 1997 the Commission held a pre-hearing conference on the BC Gas SCP Application that was set down by Order No. G-63-97. The pre-hearing conference outlined a draft regulatory agenda and timetable to hear the SCP Application. The parties in attendance at the pre-hearing conference reached consensus on a final Regulatory Agenda; and
- C. On June 27, 1997, by Order No. G-75-97, the Commission set down the BC Gas SCP CPCN Application for review by way of a public hearing, and established a Regulatory Agenda Timetable for the public hearing; and
- D. Commission Order No. G-75-97 also stated that, on the basis of commitments of parties at the pre-hearing conference, the Commission expected proponents of competing proposals to file detailed evidence and provide witness panels to testify at the public hearing; and
- E. On August 15, 1997, the proponents of three other pipeline projects and of four Liquefied Natural Gas ("LNG") facilities, filed evidence regarding their respective proposals; and
- F. Westcoast Gas Service Inc. ("WGSi"), in submitting its August 15, 1997 proposal for an LNG facility, included with it an application to the Commission under Section 88(3) for an exemption from the provisions of the Act ; and

- G. British Columbia Hydro and Power Authority ("B.C. Hydro") appeared at the hearing and filed evidence regarding the potential for additional thermal gas-fired generation in British Columbia and the potential for peak shaving arrangements with BC Gas from such generation facilities; and
- H. The public hearing commenced on October 14, 1997 and the evidentiary portion of the hearing was completed on November 25, 1997 and written argument was completed on December 19, 1997; and
- I. During the hearing, in early November, 1997, Town Hall meetings took place in Fort St. John, Castlegar and Oliver, B.C.; and
- J. On January 29, 1998, the Commission issued Reasons for Decision allowing WGSi to file rebuttal argument in response to certain arguments of the Consumers' Association of Canada (B.C. Branch) et al.; and
- K. The Commission has considered the Application, the written evidence filed prior to the hearing, the evidence presented at the hearing, and the written arguments that were filed after the hearing.

NOW THEREFORE the Commission orders as follows:

- 1. The May 30, 1997 Application by BC Gas for a CPCN for the Southern Crossing Pipeline Project is denied.
- 2. The application by WGSi for an exemption under the Act for its proposed LNG project is denied.
- 3. BC Gas is to file a progress report by July 3, 1998 and a final report by October 2, 1998, on the feasibility of obtaining peak shaving from B.C. Hydro and its electricity suppliers.

DATED at the City of Vancouver, in the Province of British Columbia, this 3rd day of April, 1998.

BY ORDER

Original Signed by:

Lorna R. Barr
Deputy Chair and
Chair of the Division