

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER F-11-06**



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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473
and
A Submission by Terasen Gas (Whistler) Inc.
for Review of its of 2005 Resource Plan Update
and
An Application by Terasen Gas (Whistler) Inc.
for a Certificate of Public Convenience and Necessity to convert its propane grid system
to natural gas and approval to enter into a Natural Gas Transportation Service
Agreement with Terasen Gas (Vancouver Island) Inc.
and
An Application by Terasen Gas (Vancouver Island) Inc.
for a Certificate of Public Convenience and Necessity
for a natural gas pipeline lateral from Squamish to Whistler
and
Applications for Participant/Assistance Cost Awards

BEFORE: A.J. Pullman, Panel Chair and Commissioner
R.J. Milbourne, Commissioner
P.E. Vivian, Commissioner

August 4, 2006

O R D E R

WHEREAS:

- A. On December 12, 2005, Terasen Gas (Whistler) Inc. ("Terasen Whistler") filed with the Commission its 2005 Resource Plan Update ("the Resource Plan") that provides an assessment of the current and future energy requirements at the Resort Municipality of Whistler ("RMOW") and concludes that the existing propane grid system should be converted to natural gas; and
- B. On December 16, 2005, Terasen Whistler filed with the Commission its application for a Certificate of Public Convenience and Necessity ("CPCN") to convert its system to natural gas and for approval to enter into a long-term natural gas transportation agreement with Terasen Gas (Vancouver Island) Inc. ("TGVI"). In the application, Terasen Whistler also requests approval to make a capital contribution to TGVI and to add the contribution to rate base, to amortize the net book value of the propane facilities and to recover pipeline study costs incurred prior to 2004 ("the Terasen Whistler Application"); and
- C. Also, on December 16, 2005, TGVI filed with the Commission its application for a CPCN for construction of a natural gas pipeline lateral to connect RMOW to the TGVI transmission system at Squamish and to enter into a Transportation Service Agreement with Terasen Whistler ("the TGVI Application"). The Resource Plan Application, the Terasen Whistler Application and the TGVI Application will be referred to collectively as the "Applications"; and

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- D. Order No. G-23-06 dated January 26, 2006 determined that the Applications would be examined through a Written Hearing Process, and set out the Regulatory Timetable; and
- E. On May 12, 2006 the BC Public Interest Advocacy Centre (“BCPIAC”) representing the BC Old Age Pensioners Organization filed an application for a Participant Assistance Cost Award (“PACA”) of \$10,986.16; and
- F. Order No. G-53-06 dated May 19, 2006 provided that the issue of a CPCN for the Project would be in the public interest provided certain conditions precedent (including a cost risk sharing mechanism for the IP Pipeline) were met; and
- G. On June 2, 2006 the Companies filed with the Commission a letter accepting the conditions but stating that the proposed cost risk sharing mechanism could not be implemented in a practical manner; and
- H. On June 9, 2006 the Companies filed an Application for Reconsideration of the Commission’s May 19, 2006 Decision and Order No. G-53-06 limited to reconsideration of the cost risk sharing mechanism; and
- I. On June 14, 2006 the Commercial Energy Consumers Association of British Columbia (“CEC”) filed an application for a PACA of \$17,605.02; and
- J. In Letter No. L-28-06 dated June 14, 2006 the Commission allowed a reconsideration of the cost risk sharing mechanism; and
- K. Order No. G-76-06 dated June 28, 2006 amended the cost risk sharing mechanism; and
- L. On July 10, 2006 BCPIAC filed an additional PACA application for \$2,615.10 that resulted from work attributed to the Reconsideration hearing; and
- M. The Commission has reviewed the PACA applications from BCOAPO and CEC with regard to the criteria and rates set out in Commission Order No. G-15-04.

NOW THEREFORE the Commission Panel has determined that Terasen Whistler and TGVI should each be responsible on an equal basis for PACAs as follows:

- 1. Pursuant to Section 118(1) of the Utilities Commission Act (“the Act”), the Commission awards \$13,601.26 to BCPIAC for its participation in the Terasen Whistler and TGVI proceedings.
- 2. Pursuant to Section 118(1) of the Act, the Commission awards CEC \$17,605.02 for its participation in the proceedings.
- 3. Terasen Whistler and TGVI are to reimburse BCPIAC and CEC for the total amounts awarded in a timely fashion.

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DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of August 2006.

BY ORDER

Original signed by:

A.J. Pullman
Panel Chair and Commissioner