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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-21-07

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

**and**

**An Application from Pesh Facilities Holding Partnership  
for an Exemption Covering the Transportation and Processing of Natural Gas**

**BEFORE:** L.F. Kelsey, Commissioner March 1, 2007  
L.A. Zaozirny, Commissioner

**O R D E R**

**WHEREAS:**

- A. The British Columbia Utilities Commission (the "Commission"), by Order No. G-90-00, approved an exemption for Canadian Midstream Services Ltd. from part 3 of the Utilities Commission Act (the "Act") for natural gas gathering and processing facilities in the Peggo, Midwinter and Tooga areas in British Columbia (the "Peggo, Midwinter and Tooga Facilities") with the advance approval of the Lieutenant Governor in Council ("LGIC") pursuant to Order in Council No. 1302, 2000; and
- B. The Commission, by Order No. G-101-05, continued and reissued the exemption approvals given under Order No. G-96-00 in the name of Duke Energy Midstream Services Canada Corporation ("DEMSCC") and revised Appendix I to Order No. G-96-00 to include the Sunrise dehydration, compression and pipeline facilities; and
- C. On March 27, 2006 by Order No. G-30-06, with the approval of the LGIC pursuant to Order in Council No. 125, 2006, the Commission, pursuant to Section 88(3) of the Act, approved for Duke Energy Field Services Canada Partnership ("DEFSCP") an exemption from Part 3 of the Act for the Peggo, Midwinter and Tooga Facilities and natural gas gathering and processing facilities in the Sunrise area; and
- D. Facilities which have been exemption from Part 3 of the Act, other than Sections 24 and 25, may continue to be regulated under the Act on a complaint basis; and
- E. On September 7, 2006, DEMSCC, the managing partner of DEFSCP, advised the Commission of the proposed transfer of the Peggo, Midwinter and Tooga Facilities from DEFSCP to a new general partnership called Pesh Facilities Holding Partnership ("PFHP"), the partners of which are DEMSCC and DEFSCP, and requested that PFHP be exempt from Part 3 of the Act in respect of the Peggo, Midwinter and Tooga Facilities; and
- F. The Commission has considered the request and is satisfied that an Order, under Section 88(3) of the Act, exempting PFHP in respect of its natural gas transportation and processing facilities from the requirements under Part 3, other than Sections 24 and 25, properly conserves the public interest; and
- G. On February 15, 2007 the approval of the LGIC was given to the said exemption by Order in Council No. 068,2007 which is attached to this Order as Appendix III; and

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- H. Order in Council No. 068,2007 grants approval for an exemption substantially in the form of the draft Commission Order that was attached to the Order in Council, which provides that a transportation or processing facility not listed in Appendix I of the Commission Order may be exempted by the Commission after PFHP advises the Commission, in writing, that PFHP will begin to use the facility to transport or process natural gas for others; and
- I. Section 99 of the Act provides that the Commission may reconsider, vary or rescind an Order made by it.

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

1. Pursuant to Section 88(3) of the Act, the Commission approves for PFHP an exemption from Part 3 of the Act, other than Sections 24 and 25, of the facilities listed in Appendix I which PFHP uses to transport or process natural gas for others, effective the date of this Order.
2. The facilities identified in Appendix I will continue to be regulated under the Act on a complaint basis, with a complaint taking a form similar to that of an application by an interested party under the Common Carrier and Common Processor sections of Part 4 of the Act with respect to facilities operated by a person declared to be a common carrier or common processor.
3. PFHP is directed to advise the Commission, in writing, of any facility that is not listed in Appendix I and which PFHP intends to use to transport and process natural gas for others, so that the Commission, on finding that the exemption of such facility is in the public interest may, by Order, issue a revised Appendix I.
4. PFHP is responsible for the safe and proper operation of its facilities consistent with the requirements of the Pipeline Act and other regulatory requirements.
5. PFHP is directed to file an annual report regarding each exempted facility in the form set out in Appendix II or as the Commission may otherwise require, and to distribute copies to the shippers using the facility.
6. PFHP is directed to pay fees to the Commission in the amounts that the Commission determines are required to defray costs associated with the regulation of PFHP facilities.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 1<sup>st</sup> day of March 2007.

BY ORDER

*Original signed by:*

L.F. Kelsey  
Commissioner

Attachments

**PESH FACILITIES HOLDING PARTNERSHIP**

**Transportation and Processing Facilities in British Columbia  
Exemption from Part 3 Regulation**

1. Peggo, Midwinter and Tooga areas – all pipelines, plant and related facilities

## ANNUAL REPORTING REQUIREMENTS

### Complaint Regulation of Companies that Transport or Process Gas for Others

A Report is required for each Separate, Significant Pipeline System or Processing Facility

(Companies are to file Reports within 90 days after fiscal year-end)

#### 1.0 Previous Year Actuals

- Facility name, location, function, capacity.
- Any significant changes in the capacity during the year.
- Throughput during the year.
- Names, address, contact name and telephone number for each shipper.

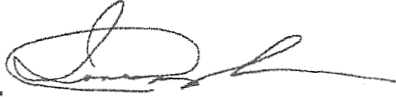
PROVINCE OF BRITISH COLUMBIA  
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No.

068

, Approved and Ordered

FEB 15 2007

  
Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that approval is given to the British Columbia Utilities Commission to exempt Pesh Facilities Holding Partnership from the provisions of the *Utilities Commission Act* for the purpose and subject to the terms set out in the attached draft order of the British Columbia Utilities Commission.

BCUC Log #

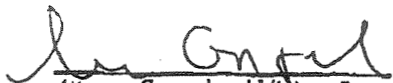
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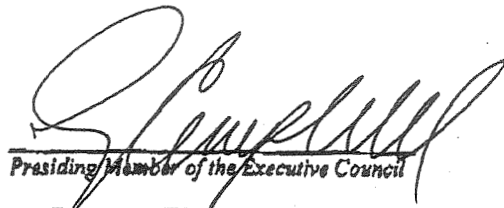
FEB 21 2007

Routing

Cad to Comm + 44  
45 JBW with ISG



Attorney General and Minister Responsible for  
Multiculturalism



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section:- *Utilities Commission Act*, R.S.B.C. 1996, c. 473, s. 88 (3)  
Other (specify):-

December 12, 2006

O/1174/2006/48