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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-107-07

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

and

**An Application by Spectra Energy Transmission
to reissue an Exemption Covering the Transportation and Processing of Natural Gas
by Duke Energy Midstream Services Canada Corporation and Westcoast Gas Services Inc.
under the name Spectra Energy Midstream Corporation**

BEFORE: L.F. Kelsey, Commissioner
P.E. Vivian, Commissioner

September 13, 2007

O R D E R

WHEREAS:

- A. On July 31, 1997 by Order No. G-89-87 and on August 28, 1998 by Order No. G-77-98, with the approval of the Lieutenant Governor in Council ("LGIC"), pursuant to Order in Council No. 831, 1997 the Commission, pursuant to Section 88(3) of the Utilities Commission Act ("the Act"), approved for Novagas Clearinghouse Ltd. ("NCL") an exemption from Part 3 of the Act for the facilities in British Columbia which NCL used to transport or process natural gas for others; and
- B. On August 6, 1997 by Orders No. G-90-97 and G-91-97, with the approval of the Lieutenant Governor in Council pursuant to Orders No. 0832 and 0830, 1997, the Commission approved for Westcoast Gas Services Inc. ("WGSI") an exemption from Part 3 of the Act for WGSI's Jedney I, Buckinghorse and Boundary Lake gathering and processing facilities; and
- C. On September 10, 1998 by Order No. G-76-98, the Commission approved for WGSI an exemption from Part 3 of the Act for WGSI's Jedney II and Highway gathering and processing facilities and revised Appendix I to Order No. G-90-97 to include the Jedney II and Highway facilities; and
- D. Facilities which have been exempted 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 April 17, 2000 Canadian Midstream Services Ltd. ("CMSL") applied to the Commission for an exemption from Part 3 of the Act for CMSL's natural gas gathering and processing facilities in the Peggo, Midwinter and Tooga areas of British Columbia which it purchased from TransCanada Midstream, the successor in interest to NCL, and which CMSL used to transport and process natural gas for others; and

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- F. The Commission by Order No. G-96-00, approved an exemption for CMSL with the approval of the Lieutenant Governor in Council pursuant to Order in Council No. 1302, 2000. In accordance with Condition 3 of Order No. G-96-00, the transportation or processing Facilities not listed in Appendix I to Order No. G-96-00 may be exempted by the Commission after CMSL advises the Commission in writing that CMSL will begin to use the facility to transport or process natural gas for others and the Commission finds that the exemption of such facility is in the public interest; and
- G. On August 25, 2005 Duke Energy Gas Transmission (now Spectra Energy Transmission) advised the Commission that in 2001 CMSL amalgamated with Duke Energy Field Services Canada Ltd. ("DEFSCL") and that subsequently, Duke Energy Midstream Services Canada Ltd. amalgamated with DEFSCL to continue as one company under the name Duke Energy Midstream Services Canada Corporation ("DEMSSC"), the name of which is to be used for the continuation and re-issuance of the exemption order requested in the August 25, 2005 letter; and
- H. On October 12, 2005 by Order No. G-101-05, the Commission continued and reissued the exemption approvals given under Order No. G-96-00 in the name of DEMSSC and revised Appendix I to Order No. G-96-00 to include facilities in the Sunrise area; and
- I. On January 16, 2007 Spectra Energy Transmission advised the Commission that DEMSSC had changed its name to Spectra Energy Midstream Corporation ("SEMC"); and
- J. On January 26, 2007 Spectra Energy Transmission applied to have the exemption orders for DEMSSC and WGSJ reissued in the name of SEMC. Spectra Energy Transmission also advised that in the Fall of 2006 DEMSSC and WGSJ amalgamated and continued as one company under the name Duke Energy Midstream Services Canada Corporation and that immediately prior to the amalgamation WGSJ disposed of its interest in the Buckinghorse facility; and
- K. 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. The exemption approvals given under Orders No. G-101-05, G-90-97, G-91-97 and G-76-98 are continued and reissued in the name of Spectra Energy Midstream Corporation. 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.

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2. SEMC is directed to advise the Commission, in writing, of any facility that is not listed in Appendix I and which SEM 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.
3. SEMC is responsible for the safe and proper operation of its facilities consistent with the requirements of the Pipeline Act and other regulatory requirements.
4. SEMC 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.
5. SEMC 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 SEMC facilities.

DATED at the City of Vancouver, in the Province of British Columbia, this 27th day of November 2007.

BY ORDER

Original signed by

L.F. Kelsey
Commissioner

Attachments

SPECTRA ENERGY MIDSTREAM CORPORATION

Transportation and Processing Facilities in British Columbia
Exempted from Part 3 Regulation

1. Peggo, Midwinter and Tooga area - all pipelines, plant and related facilities
2. Sunrise area - all pipelines, plant and related facilities
3. Jedney I area - all pipelines, plant and related facilities
4. Jedney II area - all pipelines, plant and related facilities
5. Boundary Lake area - all pipelines, plant and related facilities
6. Highway area - all pipelines, plant and related facilities

SPECTRA ENERGY MIDSTREAM CORPORATION

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 capacity during the year.
- Throughput during the year.
- Name, address, contact name and telephone number from each shipper.