

SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. V6Z 2N3 CANADA  
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-138-07

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 Spectra Energy Transmission  
to reissue an Exemption Covering the Transportation and Processing of Natural Gas  
by Duke Energy Field Services Canada Partnership  
under the name Spectra Energy Midstream**

**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. 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
- C. 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
- D. 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
- E. 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. ("DEFSCCL") and that subsequently, Duke Energy Midstream Services Canada Ltd. amalgamated with DEFSCCL to continue

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER        G-138-07**

as one company under the name Duke Energy Midstream Services Canada Corporation (“DEMSCC”), 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

- F. On October 3, 2005, DEMSCC requested that Appendix I to Order No. G-96-00 be revised to include DEMSCC’s dehydration, compression and pipeline facilities in the Sunrise area; and
- G. 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 DEMSCC and revised Appendix I to Order No. G-96-00 to include the Sunrise facilities; and
- H. On October 17, 2005, DEMSCC advised the Commission that the Peggo, Tooga, Midwinter and Sunrise facilities are held in a general partnership called Duke Energy Field Services Canada Partnership (“DEFSCP”) and requested that DEFSCP also be exempted from Part 3 of the Act; and
- I. The Commission, by Order No. G-30-06, approved an exemption for DEFSCP with the approval of the Lieutenant Governor in Council pursuant to Order in Council No. 125, 2006; and
- J. 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 that Appendix I to Order No. G-30-06 be revised to reflect the transfer; and
- K. The Commission, by Order No. G-21-07, approved an exemption for PFHP with the approval of the Lieutenant Governor in Council pursuant to Order in Council No. 068, 2007 dated February 15, 2007; and
- L. On January 26, 2007 Spectra Energy Transmission advised the Commission that DEFSCP had changed its name to Spectra Energy Midstream, the name of which is to be used for the re-issuance of the exemption order requested in the January 26, 2007 letter; and
- M. 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 Order No. G-30-06 are continued and reissued in the name of Spectra Energy Midstream (“SEM”).

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-138-07

3

2. Appendix I to Order No. G-30-06 is revised to exclude the facilities in the Peggo, Midwinter and Tooga areas. 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. SEM 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.
4. SEM is responsible for the safe and proper operation of its facilities consistent with the requirements of the Pipeline Act and other regulatory requirements.
5. SEM 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. SEM 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 SEM facilities.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 27<sup>th</sup> day of November 2007.

BY ORDER

*Original signed by*

L.F. Kelsey  
Commissioner

Attachments

**SPECTRA ENERGY MIDSTREAM**

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

1. Sunrise area - all pipelines, plant and related facilities

**SPECTRA ENERGY MIDSTREAM**

**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.