

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-173-08**

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**An Application by Terasen Gas Inc.
for a Certificate of Public Convenience and Necessity
for the Fraser River Crossing Upgrade Project**

BEFORE: A.J. Pullman, Commissioner
D.A. Cote, Commissioner

November 20, 2008

O R D E R

WHEREAS:

- A. On November 6, 2008, Terasen Gas Inc. ("TGI") applied (the "Application") to the British Columbia Utilities Commission (the "Commission"), pursuant to Section 45 of the Utilities Commission Act (the "Act"), for a Certificate of Public Convenience and Necessity ("CPCN") for two horizontal directional drilled ("HDD") natural gas transmission pipeline crossings of the South Arm of the Fraser River between Delta and Richmond near Tilbury Island (the "Fraser River Crossing Upgrade Project", "Project"); and
- B. The Fraser River Crossing Upgrade Project, as proposed by TGI, will be approximately 1,400 metres (0.9 mile) of 508 mm (20 inch) and 610 mm (24 inch) HDD pipelines, and will replace the existing 508 mm (20 inch) and 610 mm (24 inch) buried crossings at this location; and
- C. TGI states that it considered several alternatives in the Application, one of which was the replacement of the existing 508 mm (20 inch) crossing with a new HDD 762 mm (30 inch) crossing and pipeline extending from Tilbury Gate Station to Nelson Gate Station; and
- D. TGI considers that the Project is non-discretionary as the existing natural gas transmission pipeline crossings are no longer reliable due to potential consequences in the event of a seismic event, the effects of river scouring and future dike improvements; and
- E. TGI proposes to start installation of the new crossings in June 2009 and to have the new crossings in-service by October 2009. However, TGI proposes that construction may be undertaken in 2010 if, following evaluation of tenders for the HDD work, it is determined to be more cost effective. TGI estimates the cost of the project will be \$27.3 million including Allowance for Funds Used During Construction ("AFUDC"); and

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- F. TGI considers that a written hearing process is appropriate for the review of the Application and proposes a regulatory timetable; and
- G. Concurrent with the filing of the Application, TGI provided a copy of the Application to stakeholders of the Company's Performance Based Ratemaking Settlement Agreement and 2008 Annual Review process, as well as to identified stakeholders, which were set out in Appendix 11 of the Application; and
- H. The Commission considers that establishing a written public hearing and regulatory timetable for the registration of Intervenor and for the review of the Application, is necessary and in the public interest.

NOW THEREFORE the Commission orders as follows:

- 1. The Application will be examined by a Written Public Hearing process, in accordance with the Regulatory Timetable for the hearing that is established and attached as Appendix A to this Order.
- 2. The Application, together with any supporting materials, will be made available for inspection at the TGI Office, 16705 Fraser Highway, Surrey, BC, V4N 0E8 and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3 and will also be available on the TGI and Commission websites at www.terasengas.com and www.bcuc.com.
- 3. Intervenor or Interested Parties should register with the Commission, in writing or electronic submission, by Thursday, December 4, 2008. Intervenor should specifically state the nature of their interest in the Application, and identify generally the nature of the issues that they intend to pursue during the proceeding and the nature and extent of their anticipated involvement in the review process.
- 4. TGI will publish the Notice of Application and Written Public Hearing, attached as Appendix B, in the Vancouver Sun, Province, and local papers in Richmond and Delta, as soon as it is possible to do so.

DATED at the City of Vancouver, in the Province of British Columbia, this 21st day of November 2008.

BY ORDER

Original signed by:

A.J. Pullman
Commissioner

Attachments

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REGULATORY TIMETABLE

ACTION	DATES
Commission Information Request No. 1	Monday, December 8, 2008
Intervenor and Interested Party Registration	Thursday, December 11, 2008
Intervenor Information Request No. 1	Thursday, December 11, 2008
Participant Assistance/Cost Award Budgets	Thursday, December 18, 2008
TGI Response to Commission and Intervenor Information Requests No. 1	Wednesday, December 24, 2008
Commission and Intervenor Information Requests No. 2	Tuesday, January 20, 2009
TGI Response to Commission and Intervenor Information Requests No. 2	Monday, January 26, 2009
TGI Written Final Submission	Wednesday, January 28, 2009
Intervenor Written Final Submission	Wednesday, February 4, 2009
TGI Written Reply Submission	Wednesday, February 11, 2009



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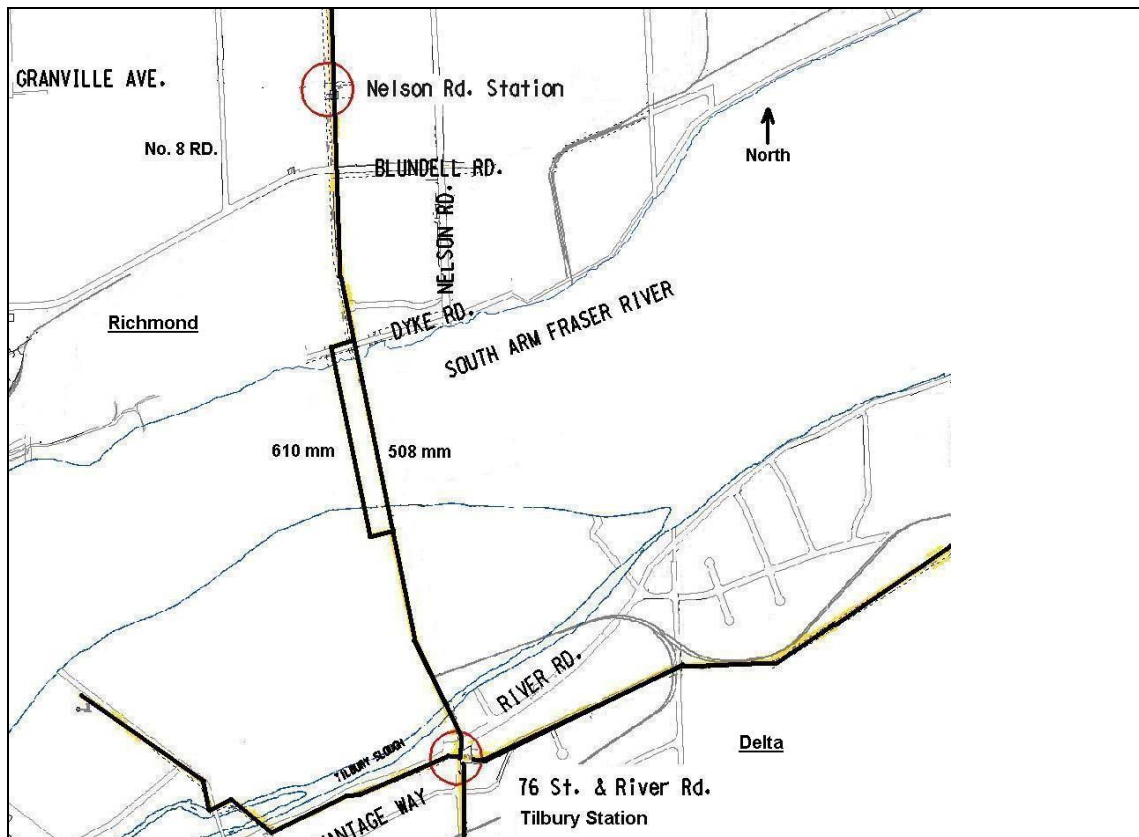
NOTICE OF APPLICATION AND WRITTEN PUBLIC HEARING

THE APPLICATION

On November 6, 2008 Terasen Gas applied to the British Columbia Utilities Commission (the "Commission") for a Certificate of Public Convenience and Necessity (the "Application") for the Fraser River Crossing Upgrade Project. Terasen Gas requests approval for two natural gas transmission pipeline crossings of the South Arm of the Fraser River between Delta and Richmond near Tilbury Island. The two crossings will replace the existing crossing at the location that Terasen Gas considers to be no longer reliable due to potential consequences in the event of a seismic event, the effects of river scouring and future dike improvements.

The two crossings are 508 mm (20 inch) and 610 mm (24 inch) outside diameter pipelines, approximately 1,400 metres long and will be constructed in the existing right-of-way using the horizontal directionally drilled construction method. The replacement crossings will be constructed within the existing right-of-way both on land and across the river, and are to be in-service by October 2009, with an estimated cost of \$27.3 million.

In its Application Terasen Gas considered several alternatives, one of which is to leave the existing 610 mm (24 inch) crossing in place and to replace the existing 508 mm (20 inch) crossing with a horizontally directional drilled 762 mm (30 inch) crossing and pipeline extending from Tilbury Gate Station to Nelson Gate Station. The location of the crossings are shown on the map below.



THE REGULATORY PROCESS

The Commission has established a Written Public Hearing and Regulatory Timetable for the regulatory review of the Application. The Regulatory Timetable can be viewed on the Commission's web site at www.bcuc.com.

INTERVENTION

Persons who expect to actively participate in the Terasen Gas proceeding should register as Intervenor with the Commission, and should identify the issues that they intend to pursue as well as the nature and extent of their anticipated involvement in the review process. Intervenor will each receive a copy of the Application, all correspondence, filed documentation and should provide an e-mail address, if available.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as Interested Parties. Interested Parties will receive a copy of the Executive Summary in the Application, and all Orders and Decisions issued.

Intervenor and Interested Parties should register in writing, no later than Thursday, December 4, 2008. Notification by mail, courier delivery, fax or e-mail is acceptable.

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission's web site.

PUBLIC INSPECTION OF THE DOCUMENTS

The Application and supporting materials will be available for inspection at the following locations:

British Columbia Utilities Commission, Sixth Floor, 900 Howe Street
Vancouver, BC V6Z 2N3 Telephone: 1-800-663-1385 **Internet:** www.bcuc.com

Terasen Gas Office
16705 Fraser Highway
Surrey, BC V6N 0E8
Internet www.terasengas.com

For further information, please contact Ms. Erica Hamilton, Commission Secretary, or Mr. Robert Brownell, Senior Energy Analyst as follows:

Telephone: (604) 660-4700
Facsimile: (604) 660-1102

BC Toll Free: 1-800-663-1385
E-mail: Commission.Secretary@bcuc.com