



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

and

An Application by
FortisBC Energy (Vancouver Island) Inc.
(formerly Terasen Gas (Vancouver Island) Inc.)
for a Certificate of Public Convenience and Necessity
for the Victoria Regional Office Facility

BEFORE: M.R. Harle, Commissioner/Panel Chair
A.W.K Anderson, Commissioner March 23, 2011
N.E. MacMurchy, Commissioner

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

WHEREAS:

- A. On October 13, 2010, FortisBC Energy (Vancouver Island) Inc. (FEVI) (formerly Terasen Gas (Vancouver Island) Inc.) submitted an application (Application) to the British Columbia Utilities Commission (Commission), pursuant to sections 45 and 46 of the *Utilities Commission Act*, for a Certificate of Public Convenience and Necessity (CPCN) to acquire the property which consists of approximately 3.6 acres of freehold land located at 1017 – 1027 Langford Parkway, Langford, BC (Langford Property) and to construct a new regional facility on the site to be acquired (Regional Facility);
- B. By Order G-162-10, the Commission established a written public review process and Regulatory Timetable to examine the Application;
- C. In its Final Submission dated December 16, 2010, the British Columbia Oil Age Pensioners Association *et al.*, subject to three concerns that the Commission addressed in the Reasons for Decision for Order C-1-11, supported approval of the Application;
- D. In its Final Submission dated December 17, 2010, the Commercial Energy Consumers Association of British Columbia submitted that the Commission should approve the proposed Regional Facility;
- E. On January 24, 2011, the Commission issued Order C-1-11 and Reasons for Decision granting a conditional CPCN for the Langford Property purchase, subject to FEVI accepting the conditions set out in paragraphs 2 to 5 of the Order;

- F. On January 28, 2011, FEVI filed a letter confirming acceptance of the conditions and proceeded to exercise the Offer to Purchase the Langford Property. On February 9, 2011 FEVI received the requested lot line adjustment and removed its final subject on the Offer to Purchase the Langford Property. The purchase of the Langford Property will complete in early April 2011;
- G. Order C-1-11 deferred the decision to grant a CPCN for the Regional Facility and directed FEVI to file a report (the Facility Report) by February 28, 2011 providing further analysis and supporting justification for the facility size in accordance with the requirements set out in the Decision;
- H. On February 28, 2011, FEVI filed the Facility Report containing additional information, analysis and justification supporting the facility size and design as it was applied for in the Application;
- I. The Commission Panel has considered the Facility Report in conjunction with the evidence and submissions filed in the proceeding to review the Application and has determined that the construction of the Regional Facility is in the public interest and that a CPCN should be granted for the Regional Facility.

NOW THEREFORE pursuant to sections 45 and 46 of the *Utilities Commission Act*, the Commission orders as follows:

- 1. A Certificate of Public Convenience and Necessity is granted to FEVI for the construction of the Regional Facility, as applied-for in the Application.
- 2. The request to create a deferral account to capture the costs of developing the Application is approved.
- 3. The entire cost of the Langford Property as adjusted in consideration of the lot line adjustment, will attract allowance for funds used during construction until being added to rate base in the appropriate land account on completion of the Regional Facility.
- 4. FEVI shall file Quarterly Progress Reports on the Langford Property purchase and the construction of the Regional Facility with the Commission including planned versus actual schedule, planned versus actual costs, and identification of any variances or difficulties the project may be encountering and any other items as determined necessary by Commission staff. The Quarterly Progress Reports are to be filed within 30 days of the end of each quarterly reporting period commencing with the second quarter of 2011. A Final Report is to be filed within six months of completion of the Regional Facility.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of March 2011.

BY ORDER

Original signed by:

M.R. Harle
Commissioner and Panel Chair