



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-12-11**

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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 Transfer of Ownership of the Pipe and Compression Facilities  
of the Southern Crossing Pipeline Project**

**BEFORE:** D.A. Cote, Commissioner  
N.E. MacMurchy, Commissioner January 27, 2011  
D. Morton, Commissioner

**O R D E R**

**WHEREAS:**

- A. By Order G-51-99 dated May 21, 1999, the British Columbia Utilities Commission (Commission) issued a Certificate of Public Convenience and Necessity (CPCN) for the construction and operation of the Southern Crossing Pipeline (SCP) Project, providing that certain conditions were met. The CPCN was issued to BC Gas Utility Ltd. (BC Gas), the predecessor of Terasen Gas Inc. (TGI). One of the conditions required that BC Gas provide a mechanism to limit ratepayer exposure to potential capital cost overruns;
- B. By Commission Order G-95-00 dated October 5, 2000, the Commission approved the financing plan proposed by BC Gas for the SCP Project, which, among other things, established two subsidiaries of BC Gas and a trust, with the trust being the owner of the pipe and compression facilities of the SCP Project;
- C. One of the provisions in Order G-95-00 was that if BC Gas determines it was necessary to transfer the SCP Project plant in service to the direct ownership of BC Gas, the Commission would approve the SCP Project plant in service being in the BC Gas cost of service supported by the capital structure then approved by the Commission, with none of the transaction costs to be the responsibility of utility ratepayers;
- D. On December 13, 2010, TGI applied for a transfer of the ownership of pipe and compression facilities of the SCP Project from the subsidiary of TGI that currently owns the pipe and compression facilities to TGI;
- E. The Commission has reviewed the Application and concludes that the transfer of ownership as applied for in the Application should be approved.

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**NOW THEREFORE** pursuant to section 50 of the *Utilities Commission Act*, the Commission approves the transfer of the pipe and compression facilities of the Southern Crossing Pipeline Project to the direct ownership of Terasen Gas Inc. as applied for.

**DATED** at the City of Vancouver, in the Province of British Columbia, this        28<sup>th</sup>        day of January 2011.

BY ORDER

*Original signed by:*

D. Morton  
Commissioner