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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-28-13**

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

and

**An Application by FortisBC Energy Inc.
for Acceptance of Capital Expenditures
for the Purchase and Transfer of Ownership
of Certain FortisBC Huntingdon Inc. Facilities to FortisBC Energy Inc.**

BEFORE: C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner February 28, 2013
B.A. Magnan, Commissioner
D.M. Morton, Commissioner
C. van Wermskerken, Commissioner

O R D E R

WHEREAS:

- A. On February 4, 2013, FortisBC Energy Inc. (FEI) applied, pursuant to section 44.2 of the *Utilities Commission Act* (Act), to the British Columbia Utilities Commission (Commission) for acceptance of the capital expenditures of approximately \$12,303 for the purchase of a certain portion of FortisBC Huntingdon Inc.'s (HIPCO) existing pipelines (Facilities) located within FEI's Huntingdon Station, near Huntingdon, British Columbia (Application);
- B. The capital expenditures represent the net book value of the Facilities to be purchased;
- C. HIPCO is a wholly-owned subsidiary of FortisBC Holdings Inc. (FHI) and is regulated by the National Energy Board (NEB) as a Class 2 company. FEI is a wholly-owned subsidiary of FHI and therefore an affiliate of HIPCO;
- D. The Facilities identified for transfer comprise, as detailed in the Application, a single 38 metre long 914 millimetre overall diameter segment of HIPCO's export pipeline and ancillary facilities;
- E. FEI requests Commission acceptance of the Application by February 28, 2013. FEI believes that the Application requires a minimal review process for the following reasons:
 - i. The Facilities to be transferred to FEI are not needed by HIPCO to provide the services that HIPCO's shippers require,
 - ii. The use and operation of the Facilities does not change,

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- iii. The lands on which the Facilities are situated are owned in fee simple by FEI and no other landowners are affected by this transaction,
 - iv. The transfer is more reflective of the primary use of the Facilities, which is to transport all of the natural gas supplies FEI requires from the Westcoast Energy Inc. system,
 - v. The transfer avoids unnecessary toll increases by HIPCO if reliability upgrades contemplated by FEI at Huntingdon Station require the addition of ancillary facilities to the 914 millimetre diameter segment of pipe by HIPCO, and
 - vi. HIPCO's key stakeholders, who include the interconnecting pipeline companies and all of HIPCO's firm and interruptible customers, have been made aware of the proposed facilities transfer and no party has raised an objection;
- F. FEI also requests that the acceptance sought in the Application be made conditional upon FEI and HIPCO receiving the necessary approvals from the NEB and the British Columbia Oil and Gas Commission for the purchase and transfer of the Facilities; and
- G. The Commission has reviewed the Application and is satisfied that the Application is in the public interest.

NOW THEREFORE pursuant to section 44.2 of the *Utilities Commission Act*, the Commission:

1. Accepts the capital expenditure schedule for the purchase and transfer of ownership of the Facilities from FortisBC Huntingdon Inc. at net book value, subject to the following conditions:
 - a. FortisBC Huntingdon Inc. receives the necessary National Energy Board approval for the purchase and transfer of the Facilities; and
 - b. FortisBC Energy Inc. receives the necessary British Columbia Oil and Gas Commission approval for the purchase and transfer of the Facilities.
2. Directs FortisBC Energy Inc. to notify the Commission when the sale and transfer of ownership of the Facilities has been completed.

DATED at the City of Vancouver, In the Province of British Columbia, this 28th day of February 2013.

BY ORDER

Original signed by:

D.M. Morton
Commissioner