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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER C-11-15**

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IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.
Certificate of Public Convenience and Necessity Application
for the Lower Mainland Intermediate Pressure System Upgrade Projects

BEFORE: D. A. Cote, Panel Chair/Commissioner
N. E. MacMurchy, Commissioner
K. A. Keilty, Commissioner October 16, 2015
H. G. Harowitz, Commissioner
I. F. MacPhail, Commissioner

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

WHEREAS:

- A. On December 19, 2014, FortisBC Energy Inc. (FEI) submitted an Application among other things for a Certificate of Public Convenience and Necessity (CPCN) to the British Columbia Utilities Commission (Commission) pursuant to sections 45 and 46 of the *Utilities Commission Act* (UCA) to construct and operate two replacement pipeline segments in the Lower Mainland near Vancouver, BC (Application);
- B. In its Application, FEI seeks approval for the following:
 - a. Construct and operate a new Nominal Pipe Size (NPS) 30" IP pipeline operating at 2070 kPa between Coquitlam Gate Station and East 2nd Avenue & Woodland Station to upgrade and replace an existing NPS 20" IP pipeline operating at 1200 kPa (Coquitlam Gate IP Project); and
 - b. Construct and operate a new NPS 30 IP pipeline operating at 1200 kPa between Fraser Gate Station and East Kent Avenue & Elliott Street to upgrade and replace an existing NPS 30" IP pipeline (Fraser Gate IP Project);
- C. FEI also seeks Commission approval pursuant to sections 59-61 of the UCA for two new deferral accounts; the LMIPSU Application Cost Deferral Account and the LMIPSU Development Cost Deferral Account;

- D. On January 5, 2015, by Order G-1-15, the Commission issued a preliminary Regulatory Timetable including one round of information requests (IRs) and set a Procedural Conference for February 10, 2015. On February 4, 2015, by letter, FEI submitted a request to delay the Procedural Conference until after FEI files both the first round IRs responses and an evidentiary update. FEI indicated that it would be conducting further analysis on the Coquitlam Gate IP Project to determine if a route option along Lougheed Highway is feasible;
- E. On April 30, 2015, FEI filed the evidentiary update which among other matters included a preferred new route option for the Coquitlam Gate IP Project and a reduction in the length of pipe for the Fraser Gate IP Project;
- F. By letter, on July 6, 2015, the Commission issued a Panel IR and established that proceeding with written argument was appropriate and issued a timetable; and
- G. The Commission has reviewed the evidence in this proceeding and finds that certain approvals are necessary and in the public interest.

NOW THEREFORE the British Columbia Utilities Commission orders as follows:

- 1. Pursuant to sections 45 and 46 of the *Utilities Commission Act* (UCA), a Certificate of Public Convenience and Necessity is granted to FortisBC Energy Inc. (FEI) to construct and operate:
 - a. the Coquitlam Gate IP Project along the preferred route option that follows Lougheed Highway through Sections 5 and 6; and
 - b. the Fraser Gate IP Project for the shorter 280m pipeline segment.
- 2. Pursuant to sections 59 to 61 of the UCA, the deferral treatment and the amortization for the development costs is approved. FEI shall establish the Lower Mainland Intermediate Pressure System Upgrade (LMIPSU) Project Development Costs deferral account to record the project development costs. This account will attract the weighted average cost of capital (WACC) until it is included in rate base. The account is to be transferred to rate base and amortized over a three-year period commencing January 1, 2016.
- 3. Pursuant to sections 59 to 61 of the UCA, recording costs of preparing the Application in a deferral account is approved. FEI shall establish the LMIPSU Application Costs deferral account to record the costs of preparing the Application. This account will attract the WACC until it is included in rate base. The account is to be transferred to rate base and amortized over a three-year period commencing January 1, 2016.

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4. FEI is directed to comply with all the directives of the Commission set out in the Decision issued concurrently with this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of October 2015.

BY ORDER

Original Signed By:

D. A. Cote
Panel Chair/Commissioner