



ORDER NUMBER
G-361-23

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

and

FortisBC Energy Inc.
Application for a Certificate of Public Convenience and Necessity
for the Okanagan Capacity Upgrade Project

BEFORE:

D. A. Cote, Panel Chair
A. K. Fung, KC, Commissioner

on December 22, 2023

ORDER

WHEREAS:

- A. On November 16, 2020, FortisBC Energy Inc. (FEI) submitted an application to the British Columbia Utilities Commission (BCUC) for, among other things, a Certificate of Public Convenience and Necessity (CPCN) pursuant to sections 45 and 46 of the *Utilities Commission Act* (UCA) for the Okanagan Capacity Upgrade (OCU) Project (Application);
- B. In the Application, FEI requests BCUC approval to:
1. Construct, install and operate approximately 30 kilometres of a new 406 millimetre (mm) pipeline that will operate at a Maximum Operating Pressure (MOP) of 7,826 kPa at kilometre point 30.8;
 2. Construct, install and operate a new Chute Lake Pressure Control Station at kilometre point 60.8 with a 406 mm pig barrel and pressure regulated tie in to the existing VER PEN 323 pipeline set at 5,171 kilopascals (kPa) for gas flowing north to Kelowna and 4,826 kPa for gas flowing south to Penticton;
 3. Construct, install and operate a new above ground 406 mm Block Valve Station at kilometre point 36.1; and 4. Deactivate a 1,200 metre section of the existing OLI PEN 406 pipeline between the tie in location at kilometre point 30.8 and the Ellis Creek Pressure Control Station;
- C. FEI also seeks BCUC approval, pursuant to sections 59 to 61 of the UCA, to establish a non-rate base deferral account, entitled the OCU Application and Preliminary Stage Development Costs Deferral Account, to be amortized over three years and costs recorded in this deferral account to attract an after-tax weighted average cost of capital return;
- D. By Orders G-335-20, G-97-21, G-166-21, G-223-21, G-262-21, G-275-21, G-338-21, G-362-21, G-2-22, G-106-23, G-273-23, the BCUC established regulatory timetables for the review of the Application. The regulatory process included: BCUC direction for FEI to file an updated application comprising additional

information (Updated Application); three rounds of written information requests (IRs) on the Updated Application; virtual Procedural Conference dated August 23, 2021; filing of written intervener evidence and one round of IRs on intervener evidence; adjournment of the proceeding in February 2022; recommencement of the proceeding, and the submission of a Supplementary Filing by FEI in May 2023; one round of IRs on the Supplementary Filing; Panel IRs to FEI; written final arguments by FEI and interveners, and reply argument by FEI; Second round of Panel IRs to FEI; and additional written argument by FEI and interveners on Panel IR No. 2 responses, and reply argument by FEI;

- E. The following parties registered as interveners in this proceeding: British Columbia Old Age Pensioners' Organization et al.; British Columbia Sustainable Energy Association; Commercial Energy Consumers Association of British Columbia; First Things First Okanagan; Penticton Indian Band; and Residential Consumer Intervener Association (RCIA); and
- F. The BCUC has reviewed the Application, evidence and submissions in this proceeding and makes the following determinations.

NOW THEREFORE for the reasons set out in the Decision issued concurrently with this order, the BCUC orders as follows:

1. Pursuant to sections 45 and 46 of the UCA, FEI is denied its Application for a CPCN for the Okanagan Capacity Upgrade Project.
2. Pursuant to sections 59 to 61 of the UCA, FEI is approved to establish a non-rate base OCU Application and Preliminary Stage Development Costs Deferral Account, as outlined further in Section 3 of the accompanying Decision.
3. FEI must comply with all other directives outlined in the accompanying Decision.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of December 2023.

BY ORDER

Original signed by:

D. A. Cote
Commissioner