



ORDER NUMBER
G-301-24

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

and

Plateau Pipe Line Ltd.
Abandonment of Service as a Common Carrier
on the Northern Segment of the Western Pipeline System

BEFORE:

T. A. Loski, Panel Chair
E. A. Brown, Commissioner
B. A. Magnan, Commissioner

on November 19, 2024

ORDER

WHEREAS:

- A. On October 7, 2024, Plateau Pipe Line Ltd. (Plateau), a wholly-owned subsidiary of Pembina Pipeline Corporation and general partner of Pembina West Limited Partnership, filed an application (Application) with the British Columbia Utilities Commission (BCUC) for approval to abandon common carrier service on the northern segment (Northern Segment) of the western pipeline system (Western System) pursuant to sections 65 and 72(2) of the *Utilities Commission Act*;
- B. By Order G-262-24 dated October 18, 2024, the BCUC established a public hearing process and regulatory timetable to review the Application, including an opportunity for Intervener submissions and Plateau reply submissions;
- C. On November 1, 2024, Tidewater Midstream and Infrastructure Ltd. (Tidewater) filed its Intervener submission;
- D. On November 8, 2024, Plateau filed its reply to Tidewater's submission, as well as a proposal for interim tolls for the Western System starting January 1, 2025 (Interim Toll Proposal); and
- E. The BCUC has reviewed the submissions to date and considers establishment of a further regulatory timetable is warranted.

NOW THEREFORE the BCUC orders as follows:

1. A further regulatory timetable is established, as set out in Appendix A to this order.
2. Plateau is directed to file with the BCUC by November 27, 2024, the supplemental information set out in Appendix B to this order.
3. Tidewater is directed to file with the BCUC by November 27, 2024, any submissions regarding the supplemental information set out in Appendix C to this order.
4. Plateau and Tidewater are directed to file with the BCUC, no later than December 6, 2024, any further submissions regarding interim tolls for the Western System, including any reply comments to the submissions made pursuant to Directives 2 and 3 to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of November 2024.

BY ORDER

Electronically signed by Tom Loski

T. A. Loski
Commissioner

Attachment

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REGULATORY TIMETABLE

Action	Date (2024)
Plateau submission	Wednesday, November 27
Tidewater submission	Wednesday, November 27
Plateau and Tidewater further submissions and reply comments, if any	Friday, December 6
Further process	To be determined

Plateau Pipe Line Ltd.
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Plateau Supplemental Information

Plateau is required to provide the following supplemental information:

1. An itemized timeline of the expected execution and payment schedule of the South Taylor Hill HDD project and the basis for the proposed schedule;
2. Timelines of the expected execution and payment schedules of all other integrity projects, aside from the South Taylor Hill HDD project, factored into Plateau's Interim Toll Proposal, and the basis for the proposed schedules.
3. Plateau's total annual integrity costs incurred in each year from 2019 to 2023, inclusive.
4. Comparative calculations for alternative toll methodologies in which the cost of the South Taylor Hill HDD project is amortised over periods of (i) two years and (ii) three years, respectively.
5. Clarification of Plateau's intentions regarding deactivation and physical abandonment of the Northern Segment of the Western System, including forecast timelines and expenses for each, in light of the following statements at paragraph 44 of the Application:

In addition to deactivation, the BCER also oversees the physical abandonment of pipelines in BC. At this time, Plateau does not wish to physically abandon the Northern Segment. Any eventual abandonment would comply with BCER requirements, as discussed above, including for consultation.

6. Clarification of the total forecast amount of Plateau's abandonment costs relating to the Northern Segment of the Western System, in light of the following statement at paragraph 8 of the interim toll proposal:

The interim toll includes an abandonment cost surcharge of \$3,215,000, reflecting a reasonable annual contribution to abandonment and reclamation obligations ("ARO") amortized from the date of the National Energy Board's ("NEB") May 2014 Set-Aside and Collection Mechanisms Decision ("Set-Aside Decision"), with adjustments for future value and after-tax rate of return. *[footnote omitted]*

7. Confirmation that Plateau has not previously recovered abandonment costs for the Northern Segment of the Western System from shippers or, if not confirmed, details of the costs recovered to date.
8. Clarification that the abandonment costs factored into the Interim Toll Proposal do not include any ongoing maintenance costs associated with the deactivated line given the following statement in section 48 of Plateau's Application:

Plateau confirms the annual maintenance costs associated with the deactivated Northern Segment would not be borne by former shippers on the Northern Segment nor by shippers on any other regulated pipeline in BC.

9. An explanation of the terms and conditions that Plateau considers to be appropriate for governing service on the Northern Segment of the Western System effective January 1, 2025.

10. Confirmation of whether Plateau considers that the interim toll would be appropriate as a permanent toll for the period in which the interim toll is in effect, or, alternatively, if Plateau intends to seek a different permanent toll at a future date.
11. Any supporting documentation underlying Plateau's statement at paragraph 37 of the Application that "[s]ince 2021, Tidewater's credit rating, as provided by S&P Global, has declined from a B+ to a B- rating, with a rating of CCC in 2022."

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Tidewater Supplemental Information

The Panel requests that Tidewater provide the following supplemental information:

1. An explanation of the throughput volume that Tidewater considers appropriate for the calculation of the interim toll, in light of Plateau's estimated throughput volume of 547,500 m³ for calendar year 2025.
2. An explanation of the terms and conditions that Tidewater considers to be appropriate for governing service on the Northern Segment of the Western System effective January 1, 2025.
3. An explanation of Tidewater's concerns, if any, with regards to the requirement to provide performance assurances contained in section 27 of Pembina's Rules and Regulations Governing the Transportation of Petroleum.
 - a) To the extent possible, please include both quantitative and qualitative impacts in your response.
4. Tidewater's credit rating, as provided by S&P Global, from 2021 to date, along with supporting documentation.