



REGULATORY
LAW CHAMBERS

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Our matter #: 1088.001

January 6, 2020

VIA E-Filing

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Attention: Patrick Wruck, Commission Secretary

Dear Mr. Wruck,

**Re: Project No. 1598984
British Columbia Utilities Commission ("BCUC")
Kinder Morgan Canada (Jet Fuel) Inc. ("KMJF") 2019 Tariff Filing Proceeding
regarding Application for Proposed Tariff No. 40 (the "Application")
Notice of Pembina Pipeline Corporation ("Pembina") Purchase of KMJF
Pipeline Transporting Turbine Fuel to Vancouver International Airport and
Burnaby Terminal (the "Jet Fuel Pipeline")**

On December 19, 2019, Vancouver Airport Fuel Facilities Corporation ("**VAFFC**") filed a letter requesting temporary suspension of the regulatory timetable and application for further and better information responses. On December 23, 2019, KMJF advised the BCUC it provided all information and documents in its possession regarding the information requests by VAFFC. On December 24, 2019, the BCUC issued a process letter requesting submissions from KMJF and Parkland Refining (BC) Ltd. ("**Parkland**"). On January 2, 2020, KMJF responded that it did not object to a temporary suspension of the regulatory timetable. On January 3, 2020, Parkland objected to the suspension of the regulatory timetable.

As further described below, Pembina files this letter with the BCUC for the following reasons:

- (a) to provide notice of Pembina acquiring KMJF, including the pipeline and facilities subject to the Application, and subsequently changing the name to "PKM Canada (Jet Fuel) Inc." ("**PKMJF**");
- (b) to request that the BCUC deny VAFFC's request for further and better information responses; and
- (c) to request that the BCUC suspend the regulatory timetable for 60 days and provide PKMJF an opportunity to file additional materials or amend the Application within 14 days after the suspension of the regulatory timetable, if necessary.

A. Pembina Acquisition of KMJF

On December 16, 2019, Pembina acquired Kinder Morgan Canada Limited, which included KMJF, pursuant to a plan of arrangement under section 193 of the *Business Corporations Act* (Alberta). Kinder Morgan Canada Limited was amalgamated with PKM Canada Limited, a wholly owned subsidiary of Pembina, and continued under the name PKM Canada Limited. Following the amalgamation, KMJF changed its name to PKMJF effective December 17, 2019. Enclosed as Attachment 1 is the Certificate of Change of Name.

Regulatory Law Chambers will continue as counsel for PKMJF. The contact information for PKMJF regarding this Application will be:

Cassia Prentice Legal Counsel PKM Canada (Jet Fuel) Inc. 4000, 585 – 8 th Avenue SW Calgary, Alberta T2P 1G1 CPrentice@pembina.com	Wendy Ross Senior Manager PKM Canada (Jet Fuel) Inc. 4000, 585 – 8 th Avenue SW Calgary, Alberta T2P 1G1 WRoss@pembina.com
Colm Boyle Consultant Legal Counsel PKM Canada (Jet Fuel) Inc. 4000, 585 – 8 th Avenue SW Calgary, Alberta T2P 1G1 CBoyle@pembina.com	

PKMJF intends to post the interim tariff that the BCUC approved on December 20, 2019 under Order Number P-13-19 on the public Pembina website.

B. Alleged Deficient Supplemental Responses

Despite providing several lengthy information responses and hundreds of pages of supporting information, VAFFC again alleges that KMJF has failed to produce "a significant amount of information". The alleged deficient information falls into the following categories: (a) details on "Direct Field Expenses" and "A&G Costs" for the years 2009 to 2018; (b) Mr. Wetmore's working papers and files; (c) services procured, including contracts that exceed \$10,000; (d) "other" expenses in IR 22.1(g); and (e) year over year explanations for changes in "Direct Field Expenses" and "A&G Costs".

Regarding (a), PKMJF understands that KMJF has provided sufficient detail to VAFFC to analyze the accounting for the Jet Fuel Pipeline. PKMJF wishes to reiterate KMJF's letter dated December 23, 2019 that all information and documentation in KMJF's possession has been provided.

Regarding (b), PKMJF reiterates that the materials provided constitute the entirety of Mr. Wetmore's working file and all written instructions or directions given to Mr. Wetmore.

Regarding (c), (d) and (e), PKMJF notes VAFFC's submission that it will deal with these alleged deficiencies during a forthcoming information request ("IR") process. PKMJF reiterates that KMJF provided VAFFC with all material contracts and services and all other documentation it has been able to obtain regarding historic costs and expenses. Even if VAFFC were to ask further IR's, PKMJF expects that it will not be able to provide any additional level of information to VAFFC than has already been provided.

Regarding (c), as KMJF previously noted in its December 6 Supplemental Response,¹ prior to 2019 the allocation procedures followed the TMPLP Cost Allocation Study as filed with the NEB in 2002 and attached as Appendix (Suppl.) VAFFC-KMJF 22.1.3. "Outside Services" was not a category contained in A&G prior to 2019. Therefore, KMJF provided all the details on A&G Costs for each year it has this information available, which is only 2019. KMJF provided all contracts it had in its possession related to "Outside Services" included in A&G costs for 2019.

Regarding (e), in BCUC Order P-10-19,² the BCUC noted that "KMJF must provide an explanation in any instances where information cannot be provided." In KMJF's December 6 Supplemental Response, KMJF provided an explanation of why it was unable to provide a meaningful explanation of year over year changes in Direct Field Expenses in compliance with the BCUC direction

Accordingly, PKMJF requests that the BCUC deny VAFFC's request for further and better information responses.

C. Regulatory Timetable

Given Pembina's recent acquisition of Kinder Morgan Canada Limited, PKMJF requests additional time to review the Application. There has been a considerable volume of material filed by the parties in the form of IRs and by KMJF/PKMJF in support of the Application and in responses to IR's. As the new owner of the Jet Fuel Pipeline, PKMJF may have additional submissions or amendments to the Application following this review.

PKMJF requests that the BCUC suspend the regulatory timetable for 60 days and provide PKMJF an opportunity to file additional materials or amend the Application within 14 days after the suspension of the regulatory timetable, if necessary.

PKMJF acknowledges that the BCUC requested comments from KMJF and Parkland by January 3, 2020. PKMJF submits that its filing of this letter does not prejudice VAFFC's response submission due on January 8, 2020, as it primarily repeats and affirms prior correspondence. However PKMJF would not oppose delaying VAFFC's response up to 3 additional days if required given this submission on the part of PKMJF.

PKMJF requests that the proceeding continues to move forward in a procedurally fair manner, particularly to obtain a timely decision regarding final tolls applied for under the Application.

Yours truly,

<Submitted electronically>

Rosa Twyman
Regulatory Law Chambers

cc: Colm Boyle, Legal Counsel for Pembina
KMJF Shippers

¹ Ex. B-25 2019-12-06 Supplemental Response from KMJF to BCUC re VAFFC IR Numbers 22.1-23.1.

² Ex. A-18 2019-11-19 Order P-10-19 from BCUC to KMJF re Reasons for Decision and Regulatory Timetable.



Number: BC0077166

CERTIFICATE OF CHANGE OF NAME

BUSINESS CORPORATIONS ACT

I Hereby Certify that KINDER MORGAN CANADA (JET FUEL) INC. changed its name to PKM CANADA (JET FUEL) INC. on December 17, 2019 at 11:32 AM Pacific Time.

*Issued under my hand at Victoria, British Columbia
On December 17, 2019*

CAROL PREST
Registrar of Companies
Province of British Columbia
Canada



ELECTRONIC CERTIFICATE