



bcuc
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Utilities Commission

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March 5, 2021

Sent via email/e-File

FEI-STARGAS - ASSET DISPOSITION AND CPCN TRANSFER OF ASSETS EXHIBIT A-2

Ms. Diane Roy
Vice President, Regulatory Affairs
FortisBC Energy Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8
gas.regulatory.affairs@fortisbc.com

Mr. M.A. (Moe) Blumes
President
Stargas Utilities Ltd.
1960 KLO Road, Unit 17
Kelowna, BC V1W 5L2
Info@Stargas.ca

Re: FortisBC Energy Inc. (FEI) and Stargas Utilities Ltd. (Stargas) – Application for Approval of an Asset Disposition and a Certificate of Public Convenience and Necessity to Facilitate the Transfer of Natural Gas Utility Assets from Stargas to FEI – Project No. 1599186 – Regulatory Timetable

Dear Ms. Roy and Mr. Blumes:

Further to your February 19, 2021 application for Approval of an Asset Disposition and Certificate of Public Convenience and Necessity to Facilitate the Transfer of Natural Gas Utility Assets from Stargas to FEI, enclosed please find British Columbia Utilities Commission Order G-63-21 establishing a regulatory timetable.

Sincerely,

Original signed by Ian Jarvis for:

Patrick Wruck
Commission Secretary

/cmv



ORDER NUMBER
G-63-21

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

and

FortisBC Energy Inc. and Stargas Utilities Ltd.

Joint Application for Approval of an Asset Disposition and a Certificate of Public Convenience and Necessity to Facilitate the Transfer of Natural Gas Utility Assets from Stargas Utilities Ltd. to FortisBC Energy Inc.

BEFORE:

A. K. Fung, QC, Panel Chair
C. Brewer, Commissioner
W. M. Everett, QC, Commissioner

on March 5, 2021

ORDER

WHEREAS:

- A. On February 19, 2021, pursuant to sections 45, 46, 52, and 59 to 61 of the *Utilities Commission Act* (UCA), FortisBC Energy Inc. (FEI) and Stargas Utilities Ltd. (Stargas) applied to the British Columbia Utilities Commission (BCUC) for approval to dispose of the natural gas distribution utility assets owned by Stargas within the boundaries of the Silver Star Mountain Ski Resort (Assets), and for approval of a Certificate of Public Convenience and Necessity (CPCN) for FEI to operate the extension to its system resulting from its acquisition of the Assets (Application);
- B. In the Application, FEI and Stargas request an order or orders granting the following approvals:
- i. The disposition of Stargas' Assets and transfer to FEI;
 - ii. A CPCN for FEI to operate the extension to its system resulting from its acquisition of the Assets;
 - iii. A new FEI non-rate base deferral account, entitled the "Stargas Assets Acquisition Deferral Account" to capture the costs of preparing the Application, legal expenses related to the executed FEI-Stargas Asset Purchase Agreement (APA), Stargas' existing Regulatory Assets, Stargas' Working Capital Allowance, and the "uncollected amounts" as identified in the APA provided in Appendix B to the Application. FEI requests that the costs recorded to the Stargas Assets Acquisition Deferral Account will be net-of-tax, attracting FEI's weighted average cost of capital, and will be transferred to rate base on January 1, 2022 with an amortization period of one year; and
 - iv. The remaining balance of Stargas' Gas Cost Variance Account at the Closing Date to be captured into FEI's existing Commodity Cost Reconciliation Account;

- C. FEI estimates the purchase price of the Assets from Stargas to be \$714,662, based on a forecast Closing Date of April 1, 2021. The actual purchase price will be based on the Assets that are approved by the BCUC for inclusion in FEI's rate base and subject to the actual value of the Assets at the Closing Date;
- D. FEI requests that the APA contained in Appendix B to the Application be filed confidentially as it contains commercially sensitive information, the public release of which is reasonably expected to result in significant harm or prejudice to FEI's competitive or negotiating position in future negotiations; and
- E. The BCUC has commenced review of the Application and considers that the establishment of a public hearing is warranted.

NOW THEREFORE the BCUC orders as follows:

1. A public hearing for the review of the Application is established, in accordance with the regulatory timetable as set out in Appendix A to this order.
2. As soon as reasonably practicable and no later than March 12, 2021, FEI/ Stargas is directed to notify stakeholders and Indigenous communities identified in Section 5.2 of the Application regarding the BCUC review of the Application.
3. In accordance with BCUC's Rules of Practice and Procedure, parties who wish to actively participate in this proceeding must submit the Request to Intervene Form, available on the BCUC's website at <https://www.bcuc.com/get-involved/get-involved-proceeding.html>, by the date established in the regulatory timetable.

DATED at the City of Vancouver, in the Province of British Columbia, this 5th day of March 2021.

BY ORDER

Original signed by:

A. K. Fung
Commissioner

Attachment

FortisBC Energy Inc. and Stargas Utilities Ltd.
Joint Application for Approval of an Asset Disposition and a Certificate of Public Convenience and
Necessity to Facilitate the Transfer of Natural Gas Utility Assets from Stargas Utilities Ltd. to FortisBC
Energy Inc.

REGULATORY TIMETABLE

Action	Date (2021)
Intervener Registration	Thursday, March 18
BCUC and Intervener Information Requests (IRs) No. 1 to FEI/ Stargas	Thursday, March 18
FEI/ Stargas response to IRs No. 1	Thursday, April 8
Further Process	To be determined