

Excerpt from BCUC Transcript on the Streamlined Review Oral Hearing held Friday, January 24th, 2014 regarding:

FortisBC Energy Inc.

Application for a Certificate of Public Convenience and Necessity to Construct and Operate a Transmission Pressure Pipeline Crossing of the Muskwa River for the Fort Nelson Service Area

"It is the decision of this Panel that a CPCN should be granted to FortisBC for the construction of a pipeline across the Muskwa River, FEI Muskwa Pipeline Crossing using the HDD methodology. At this time, the Commission does not find it in the public interest to pursue the microtunnel methodology due to the evidence related to the potential timing delays in pursuing that option, and the risk that that would put on providing reliable service to the residents of Fort Nelson.

With respect to the request for the application to amortize the project development and application costs over three years, the Commission is conditioning the CPCN approval on (a) both of the deferral accounts being amortized over that three-year period. So, the CPCN is granted subject to the condition that the deficit deferral account, as I refer to it, is amortized over three years, as is the credit deferral account. This is seen to be in the public interest in that it provides a rate smoothing mechanism and avoids rate shock, particularly in the third year.

The Commission will also be issuing directions with respect to reporting as this project goes forward. And this will include -- and this is not an inclusive list, but it will include information that will flow once the bid requests have been analyzed, and interim and final reports on construction as it takes place. FEI Muskwa Pipeline Crossing CPCN

The Commission, as is the practice, would also expect, and as Fortis indicated that, should there be a material change in costing relative to the costs applied for in the HDD option, that the Commission would be advised of any material change as soon as they are known."

The full transcript can be read at:

http://www.bcuc.com/Documents/Transcripts/2014/DOC_40407_01-24-2014-FEI-SRP-Transcript-Vol1.pdf