

Report to Council



Date: July 18, 2012

File: 1325-10

To: City Manager

From: J. Vos, General Manager, Community Services

Subject: Electric Utility Restructuring Opportunity

Report Prepared By: D. Edstrom, Acting Director, Real Estate & Building Services

Recommendation:

THAT Council approves the Memorandum of Understanding between the City of Kelowna and FortisBC Inc. dated June 26, 2012 in the form attached to the Report of the General Manager, Community Services dated July 18, 2012 with respect to the Electric Utility Restructuring Opportunity;

AND THAT Council authorizes the Mayor and City Clerk to execute the Memorandum of Understanding.

Purpose:

To approve the Memorandum of Understanding (the "MOU") between the City and FortisBC Inc. ("FortisBC") allowing the City to continue negotiations with Fortis BC for future options regarding the City's electric utility.

Kelowna Electrical Utility Restructuring Opportunity:

The Kelowna Electrical Utility Restructuring Opportunity (the "Opportunity") proposes to re-position the City from its current role as electrical utility owner, to a new role as electrical utility investor. Under the Opportunity:

- Ownership of the City's electrical utility assets would be transferred to FortisBC. FortisBC would assume responsibility for all utility planning, infrastructure development, operation and maintenance. FortisBC would also assume all risks associated with these functions (as an established and regulated energy company with considerable expertise, FortisBC is best positioned to manage these risks). Under FortisBC ownership, the utility would be regulated by the British Columbia Utilities Commission (BCUC), in the same way that FortisBC's existing electrical utility is regulated;
- The City would receive payment for the utility assets in accordance with a negotiated value assigned by the parties and approved by the BCUC. The exact value of the assets has yet to be finalized; however, the parties expect that the final number will total slightly more than \$50 million. Importantly, the City would also receive the ability to invest its proceeds from the transfer into a future FortisBC publicly traded debt issuance. The City's investment would take the form of FortisBC bonds (i.e., debt), which would be used by the company to help finance future infrastructure

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developments required to meet the needs of existing and future electricity customers throughout Kelowna;

- The purchase of FortisBC debt would provide the City with secure, annual financial returns that would benefit the community over an extended period of time, and that would meet or exceed the annual earnings that the City could generate as utility owner. The need for secure, long-term financial benefits that meet or exceed the City's own earnings – currently at about \$2.1 million per year – was identified by Council and staff in early 2011 as a fundamental principle to guide any discussions on the electrical utility; and
- The City will collect property taxes, where it previously did not for its own utility infrastructure, of approximately \$350,000 per year which will offset the \$370,000 it currently receives from the utility for internal overhead. The City will pay market rates for its own electricity use. Historically, as part of the City's electrical utility, City buildings benefited from slightly decreased power rates. There has been a conscious decision in the past year however, to move these rates closer to market rates.

In addition to proposed changes to the electrical utility, the Opportunity would set the stage for the parties to work together in identifying and pursuing new joint energy projects, including those that promote energy conservation, and those that make use of alternative energies. FortisBC and the City have a history of such initiatives – the on-going development of a district energy system in downtown Kelowna is one example. Moving forward, additional pursuits would be identified with the goal of making Kelowna a leader in energy innovation and sustainability.

Background:

The City of Kelowna is responsible for distributing electricity through the City's own electrical utility to residential, commercial, industrial, and institutional customers in the central part of the municipality. The City's utility has a service area that covers approximately one-third of Kelowna; the remaining two-thirds of municipality receive its electricity directly from FortisBC. The City is one of only six municipalities in British Columbia today with its own electrical utility.

As a municipal government, the City runs its electrical utility using a standard, municipal business model under which:

- expenditures on electrical infrastructure are treated as cash flow deductions from the City's utility earnings, rather than as utility investments that pay annual financial dividends to the City;
- capital works are financed using a combination of City funds and municipal borrowing; and

- the City's annual utility earnings are vulnerable to shifts in the price of wholesale electricity that the City must acquire from FortisBC for distribution to City customers as well as impact of capital expenditures.

For many years the City has successfully run its electrical utility for the benefit of customers and Kelowna taxpayers as a whole. In the coming years, however, the City's ability to function optimally under its current utility model will be tested. Future long-term infrastructure needs, estimated at \$70 million, combined with upward pressure on wholesale electricity prices, will challenge the utility's annual earnings. The City's analysis of the situation indicates that continued municipal ownership of the electrical utility – a non-core local government service – may not be the best option for City taxpayers.

FortisBC is an energy utility company with a strong presence and track record in Kelowna. Since 2000, FortisBC has worked closely with the City as its electrical contractor, in planning, operating and maintaining the City's electrical utility assets. The company also provides electricity through its own utility to all parts of the community that are not served by the City, and provides natural gas services throughout the entire municipality.

FortisBC runs its energy operations using a regulated utility business model that differs in significant respects from the City's business model. The most important difference relates to the treatment of infrastructure expenditures. Under the regulated utility model, expenditures on system infrastructure, once approved by the BCUC, are treated as investments on which FortisBC earns a regulated rate of return. This feature of the model supports capital investment in works that are needed to accommodate existing and new users.

Under the previous Council's direction, provided in early 2011, the City has been in discussions with FortisBC on the future of the City's electrical utility. The Kelowna Electrical Utility Restructuring Opportunity – the subject of the attached Memorandum of Understanding – has emerged from these discussions. As noted, the Restructuring Opportunity proposes the transfer of the City's utility assets to FortisBC in exchange for long-term financial returns and investment opportunities, as well as new partnership opportunities in the areas of alternative energies and conservation.

Options Considered:

The City and its advisors explored a number of options for the electrical utility, including:

- City ownership of the utility; in-house operation using City staff (similar to the model that was in place prior to 2000);
- City ownership of the utility; outsourced operation through a new contract (the existing contract with FortisBC expires in 2012); or
- external ownership of utility with lease-back to the City; outsourced operation through a new contract.

None of these options would go as far as the Restructuring Opportunity in helping the City to:

- earn secure, annual financial returns that extend over a long period of time (e.g., 30 years), and that meet or exceed earnings that the City could generate through continued ownership of the utility;

- assign responsibility for utility expansion and improvement to a regulated utility firm whose utility business model supports investment in capital works; and
- focus its servicing efforts on core municipal services.

Management of Risk:

Considerable effort has been taken – and will continue to be taken – to structure the Restructuring Opportunity as a prudent transaction that would:

- transfer the operating risks inherent in running a utility to the party – i.e., FortisBC – that is best positioned to manage them;
- guarantee seamless service to existing City and FortisBC electricity customers (both sets of customers already receive service from FortisBC);
- place City customers alongside FortisBC's existing customers under the regulatory protection of the BCUC;
- extend FortisBC's BCUC-regulated electricity rates to existing City customers (a move that would result in no change to the City's residential price, and a slight decrease in the City's non-residential rates);
- prevent the City from having to undertake extensive and costly capital expenditures for electrical infrastructure;
- ensure that all necessary electrical infrastructure projects will occur, as required, to accommodate the on-going development of central Kelowna; and
- generate reasonable and long-term earnings for the community based on the value of the utility assets.

The process being followed to negotiate the key agreements that comprise the Restructuring Opportunity has also been structured to minimize risk to taxpayers. A key example of the care taken is the City's decision – referred to in the MOU – to establish a holding company to hold the utility assets, if necessary, pending any transfer to FortisBC. This measure is designed to enable the City to proceed with a different restructure option in the (unlikely) event that talks with FortisBC do not reach completion, or the BCUC does not endorse the value assigned by the parties to the assets. The measure allows the City to maintain a strong negotiating position in the coming months.

Due Diligence

Both the City and FortisBC will be conducting their own due diligence on the Restructuring Opportunity and its key elements before any final agreements are presented for consideration by Council and the City's electors. A key step in the City's due diligence will involve continued discussions with the provincial government aimed at ensuring that all necessary authorities are in place to facilitate the Opportunity. Another step will involve the review of the Restructuring Opportunity by an independent accounting firm. The firm will be asked to

assess the transaction and give its opinion on the extent to which the agreement represents a prudent and effective approach for existing City of Kelowna electricity customers and for taxpayers as a whole. The firm's opinion will be included in public documents on the Restructuring Opportunity.

Legal/Statutory Procedural Requirements:

The transfer of the City's utility assets to FortisBC – or to a holding company in advance of an ultimate transfer to FortisBC – will require the approval of Kelowna's electors. The investment in FortisBC bonds will also require approvals. The City intends to seek the necessary elector approvals using the alternative approval process, as outlined in the Community Charter (section 86). Under this process, all registered municipal voters within the City of Kelowna will be given an opportunity to object, using a petition form, to the City's proposed transfer and/or investment in FortisBC. Approval will be obtained if fewer than 10% of electors choose to object.

Based on progress to date in discussions with FortisBC, the City hopes to begin the approval process in the fall of 2012. Full details on the timing and process will be well advertised once the project details are finalized over the next few months.

It is important that all citizens and groups within the community have the opportunity to learn about the Restructuring Opportunity and what it would mean for electricity customers and City taxpayers. To that end, the City plans to take a number of steps to engage the community in conjunction with the approval process.

The public information process for the Restructuring Opportunity has been designed to occur in two phases:

- Phase I, which will begin immediately, will provide electricity customers and the broader community with an overview of the Restructuring Opportunity, as outlined in the MOU. Information on the reasons for the Restructuring Opportunity, its key elements, and the process to be followed moving forward will be published on kelowna.ca and in the City's weekly City In Action advertisement in the Capital News.
- Phase II – the more comprehensive phase – will begin in earnest once the new school year has begun. Information materials on the finalized Restructuring Opportunity will be made available in various forms, and presentations will be made with key community stakeholder groups. Mechanisms to provide feedback will be provided. Information notices on the Restructuring Opportunity will also be included in electricity bills sent to the City's electricity customers, and to FortisBC's electricity customers within the City of Kelowna.

Phase II is expected to last for one month, and will extend into the official period of time associated with the alternative approval process. The alternative approval process is expected to be held in the fall of 2012 and will be well advertised.

Internal Circulation:

- Director, Financial Services
- Director, Civic Operations
- Director, Communications
- Acting General Manager, Corporate Sustainability

Considerations not applicable to this report:

Legal/Statutory Authority:

Existing Policy:

Financial/Budgetary Considerations:

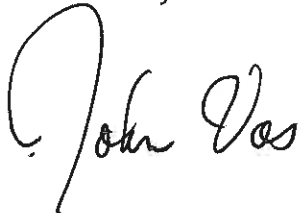
Personnel Implications:

External Agency/Public Comments:

Communications Comments:

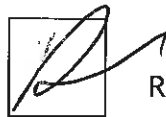
Alternate Recommendation:

Submitted by:



J. Vos, General Manager, Community Services

Approved for inclusion:



R. Mattiussi, City Manager

cc: Director, Financial Services
Director, Civic Operations
Director, Communications
Acting General Manager, Corporate Sustainability

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is dated this 26th day of June, 2012

BETWEEN:

CITY OF KELOWNA
1435 Water Street
Kelowna, BC, V1Y 1J4

(the "City")

AND:

FORTISBC INC.
Suite 100, 1975 Springfield Road
Kelowna, BC, V1Y 7V7

("FortisBC")

WHEREAS:

- A. The City of Kelowna is responsible for distributing electricity through a City-owned utility to residential, commercial, industrial and institutional customers in the central part of the City, throughout a service area that covers approximately one-third of Kelowna.
- B. For more than a decade, FortisBC has planned, operated and maintained the City's electrical utility.
- C. The City's utility requires substantial investment in new electrical infrastructure in the near future in order to provide the upgrades and capacity required to serve existing users, and to facilitate growth in downtown Kelowna.
- D. The City runs its electrical utility using a standard municipal business model under which: infrastructure investments are treated as cash flow deductions from the City's earnings (rather than investments on which returns are made); capital works are financed using internal cash flows and municipal debt; and annual income returns to taxpayers are vulnerable to shifts in the wholesale electricity prices that the City must pay to FortisBC to acquire the electricity needed by City customers.
- E. The City has considered alternative strategies for addressing the utility's challenges, and has concluded that continued City ownership of the electrical utility assets — a non-core municipal service — is not a sustainable option under the City's current ownership model.
- F. FortisBC and its affiliates have considerable experience as owners and operators of regulated energy utilities in British Columbia, and have a strong presence in Kelowna as the sole provider of natural gas, the provider of electricity to all areas of the community that are not served by the City, and the contracted operator of the City's electrical utility.

- G. FortisBC runs its electrical utility using a regulated utility business model, under which investments in infrastructure, once approved by the British Columbia Utilities Commission ("BCUC"), are treated as investments on which FortisBC earns a regulated rate of return.
- H. The City, FortisBC and its affiliates have a long history of working together to develop innovative energy initiatives that benefit the citizens of Kelowna and utility customers in general.
- I. The City and FortisBC wish to develop an agreement that would result in a transfer of the City's electrical utility assets to FortisBC, along with responsibility for all infrastructure development and operations.
- J. FortisBC will provide the City with the opportunity to invest in future debt financing in order to fulfil the City's desire for a long term financial return.

THEREFORE the City and FortisBC are entering into this non-binding MOU to indicate their strong mutual interest in coming to agreement on the transfer of the City's electrical utility assets, long term debt investment and sustainability initiatives that benefits both parties.

I. Principles

City of Kelowna Principles

- 1. In its discussions to date with FortisBC, the City has been guided by a set of key principles, including:
 - (a.) the need to resolve the City's current utility situation, which is not considered sustainable under the City's current ownership model;
 - (b.) the City's desire to earn a long-term annual financial return, including the potential investment of the proceeds from the transfer of the City's electrical utility assets into the debt of FortisBC;
 - (c.) the need for any arrangement to be fair and balanced to all City ratepayers, with clear long-term benefits for all parties;
 - (d.) the need to transfer operating and financial risk along with ownership of the City's electrical utility assets;
 - (e.) the desire to build on the success of other energy initiatives undertaken in recent years by the City, including the 2001 elector-approved arrangement with BC Gas Inc. (now FortisBC Energy Inc.) that, at maturity, will result in a substantial legacy fund for the community;
 - (f.) the desire to become an investor in utility services, providing the infrastructure upgrades and expansion, not only within the area currently serviced by the City's electrical utility but across the entire municipality;
 - (g.) the requirement for transparency so that all citizens have a clear understanding of the need for such a transfer, the anticipated benefits to the community, and the anticipated regulation of the return to FortisBC; and

- (h.) the desire to set the stage for additional energy partnerships that, taken together, will help Kelowna to achieve energy sustainability, and to become a leader in sustainable energy development.
- 2. In negotiations that follow the signing of this MOU, the City will continue to be guided by these principles.

FortisBC Principles

- 3. In its discussions to date with the City, FBC has been guided by a set of key principles, including:
 - (a.) the need to continue to operate in a safe and reliable manner at the lowest reasonable cost;
 - (b.) to desire to negotiate the purchase of the City electrical utility assets on terms which are in the public interest;
 - (c.) the desire to earn a fair and reasonable return on FBC's investment; and
 - (d.) the desire to provide fair, just and reasonable rates, which are not unduly discriminatory.
- 4. In negotiations that follow the signing of this MOU, FortisBC will continue to be guided by these principles.

II. Agreements to be Negotiated

Transfer of the Electrical Utility (the "Transfer Agreement")

- 5. The key element of the proposed agreement being negotiated by the parties is the transfer of the City's electrical utility assets to FortisBC.
 - (a.) The City may require an intermediary step whereby the City transfers its electrical utility assets to an arm's length corporation. The intention is then for this arm's length corporation to transfer the City's electrical utility assets to FortisBC.
 - (b.) FortisBC will seek approval from the BCUC to purchase the City's electrical utility assets and include them in FortisBC's BCUC approved rate base.
 - (c.) FortisBC will become the owner/operator of the City's electrical utility assets.
 - (d.) Upon transfer the City's electrical utility assets would be regulated by the BCUC, just as FortisBC's other electrical utility assets in Kelowna (i.e., outside of the City electrical utility's current service area) are regulated by the BCUC.

Investment Opportunity for the City (the "Investment Agreement")

- 6. Pursuant to a separate Investment Agreement, the City will be provided the opportunity to invest the proceeds of disposition of the sale of the City's electrical utility assets, to the extent permitted, in the debt of FortisBC at then current market rates, on similar terms as would be available to any other FortisBC debt investor.

Joint Energy Initiatives (the "Mutual Benefits Agreement")

7. A transfer of the City's electrical utility assets would be expected to bolster the joint efforts of the City and FortisBC to identify and develop a range of sustainable energy initiatives that benefit both parties.
 - (a.) FortisBC is committed to increasing its use of alternative energy sources in Kelowna and throughout British Columbia, and would look to the City to partner in the pursuit of various alternative energy opportunities.
 - (b.) The City is committed to positioning Kelowna as a leader in sustainable energy, energy conservation and energy efficiency, and would work with FortisBC to create and build support for key projects.

III. Approvals, Reviews and Timing

Elector Approval

8. Kelowna's municipal electors would be asked to approve any transfer of the City's electrical utility assets to FortisBC.
9. The City would be solely responsible for obtaining the approval of the electors, and any other required municipal approvals, including the approval of the Inspector of Municipalities, and would seek approval of the electors using the alternative approval process provisions in section 86 of the *Community Charter*.
 - (a.) Under these provisions, approval would be obtained if fewer than 10% of electors objected to the transfer of City's electrical utility assets to FortisBC.
10. The City would provide the community with information on the proposed agreements with FortisBC so that electors are appropriately informed.
 - (a.) The City would engage the community as a whole, and key stakeholder groups within the community, once the details of the proposed agreement are available.
 - (b.) The City would defer the bulk of community and stakeholder engagement until after the summer season in order to ensure that electors are available for consultation.

City's Third Party Review

11. The City is committed to ensuring that any proposed agreement with FortisBC for the electrical utility is fair, prudent and in the long-term interests of the community.
12. Prior to presenting a proposed agreement to electors for approval, the City intends to present the agreement to a major, independent accounting firm that has no involvement or interest in such a utility transfer.

- (a.) The independent firm would be asked to assess a proposed agreement and provide its opinion on the extent to which any such agreement represented a prudent and effective approach for City and is fair to its customers and taxpayers

British Columbia Utilities Commission Approval

- 13. Transferring the City's electrical utility assets from the City to FortisBC would place those assets under the regulatory jurisdiction of the BCUC.
- 14. The BCUC, in its role as the independent regulator of public utilities in British Columbia, would need to approve the purchase of the City's electrical utility assets by FortisBC.
- 15. In assessing the purchase by FortisBC, the BCUC would determine whether the transfer is in the public interest.
- 16. FortisBC, as the proposed purchaser of the City's electrical utility assets, would be responsible for obtaining the BCUC's approval for the purchase.
- 17. FortisBC would apply to the BCUC for approval only after the City has received the approval of its electors.

Additional Approvals

- 18. The Transfer Agreement, Investment Agreement and Mutual Benefits Agreement would all be subject to final approval:

- (a.) by the City in the form of City Council approval;
- (b.) by FBC in the form of Board of Directors approval;

and such other and further approvals required by the parties.

Timing

- 19. It is critical that a transfer of the City's electrical utility assets occur on or before March 31, 2013.
 - (a.) Failure to achieve this timeline may subject such a transfer to provincial sales tax, which is scheduled to be reinstituted in place of the harmonized sales tax in April, 2013.
 - (b.) The application of the provincial sales tax to such a transfer would reduce the overall benefit associated with the agreement.
- 20. Both the City and FortisBC recognize the importance of the above noted timeline in closing the transfer of the City's electrical utility assets.

IV. Miscellaneous

Exclusive Negotiations

21. Through its electrical and natural gas utilities, FortisBC and its affiliates have established a strong presence in Kelowna and have made significant investments in developing their roles as utility owners/operators and in pursuing local sustainable energy infrastructure and initiatives.
22. The City, through its past efforts in exploring energy partnerships, recognizes that FortisBC is the most capable and best positioned company to anticipate and meet Kelowna's long-term electricity needs.
23. The City agrees that, for as long it remains in discussions with FortisBC on the proposed transfer, it will not enter into discussions with other parties.

Non-Binding

24. The parties recognize and agree that this MOU is intended to be non-binding and does not impart any obligation or liability on either party.

IN WITNESS WHEREOF, the Parties have executed this MOU which shall be effective on the date first written above:

Signatories:

The City of Kelowna

Per: _____

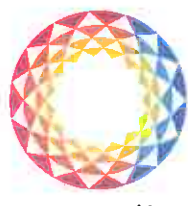
FortisBC Inc.

Per: _____

John C. Walker

President and Chief Executive Officer

ELECTRIC UTILITY RESTRUCTURING OPPORTUNITY



City of
Kelowna

MEMORANDUM OF UNDERSTANDING - JULY 2012



STRATEGIC MOVE

City restructuring to be a utility
investor instead of a utility
operator

Focus on core services and expertise

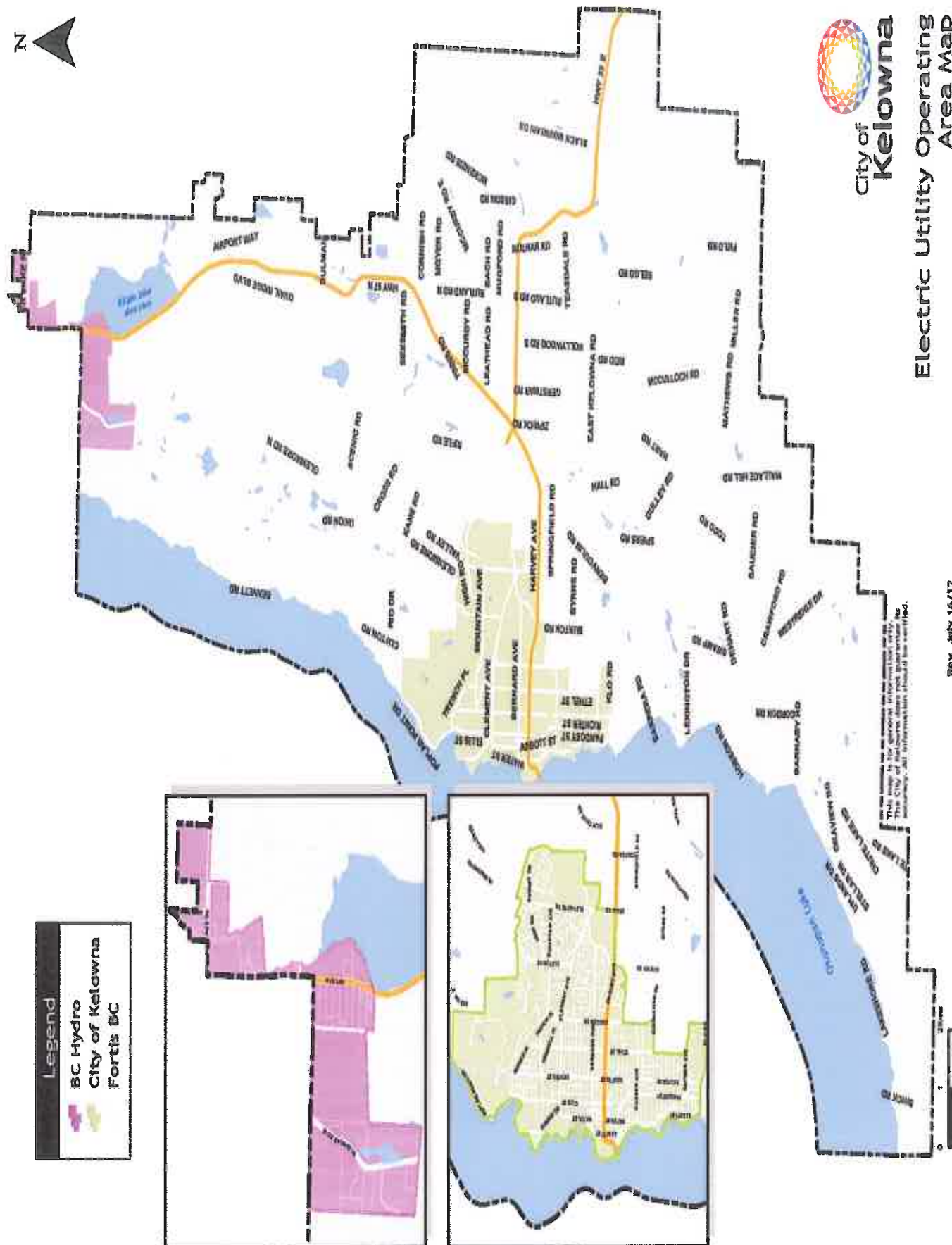
ELECTRIC UTILITY

- ▶ One of six municipal utilities in BC
- ▶ Old boundary areas of Kelowna



Electric Utility Operating Area Map

REV. July 16/12



BACKGROUND

- ▶ Operated by City employees until late 1990s
- ▶ Strategic review identified
 - ▶ Cost efficiencies
 - ▶ Improved resources available in a partnership
- ▶ RFP process
 - ▶ Electric utility
 - ▶ Customer care services

BACKGROUND

- ▶ One employee
- ▶ Fortis
 - ▶ Maintenance
 - ▶ Operations
 - ▶ Capital improvements
- ▶ Corix
 - ▶ Billing
- ▶ Current structure is not sustainable

BACKGROUND

- ▶ Rates similar to Fortis
- ▶ Contributes
 - ▶ \$2.1m to general fund
 - ▶ \$370k to administrative overhead
- ▶ Infrastructure replacement
 - ▶ ~\$70 million over 20 years
- ▶ Wholesale power cost increasing
- ▶ Contractor costs increasing
- ▶ Fortis contract ends September 2012

BACKGROUND

- ▶ 2010 strategic review
 - ▶ Current contract no longer providing same benefit
 - ▶ Increased costs
 - ▶ BCUC transfer pricing changes
 - ▶ Contract costs

BACKGROUND

- ▶ Previous Council authorize negotiations with Fortis BC
 - ▶ Services balance of city
 - ▶ Provides current utility management
 - ▶ LILO agreement
 - ▶ Landfill gas to pipeline
 - ▶ District Energy
 - ▶ Team created

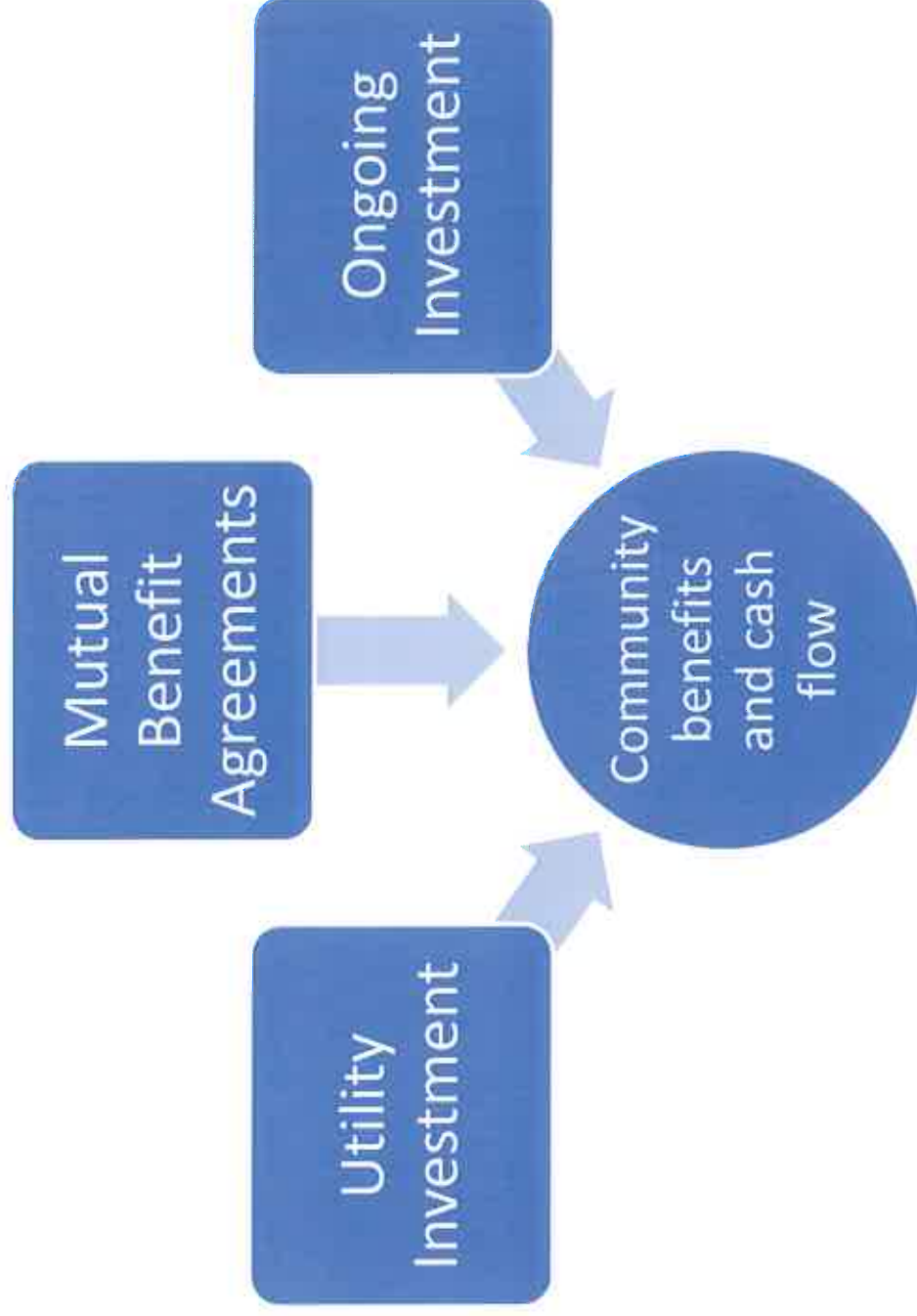
OPPORTUNITY - GUIDING PRINCIPLES

- ▶ Long range plan
- ▶ Return in perpetuity
- ▶ Fair, balanced, and transparent
- ▶ Transfer of risk

OPPORTUNITY - GUIDING PRINCIPLES

- ▶ Build on successes
- ▶ Investor in utility services
- ▶ Significant mutual benefit
 - ▶ Additional energy partnerships

MEMORANDUM OF UNDERSTANDING



OPPORTUNITY

- ▶ Utility transfer / investment
 - ▶ Similar to higher cash flows
 - ▶ No capital expenditures
 - ▶ Long-term debt return
 - ▶ Property taxes ~\$350k
 - ▶ \$50m+ transfer price
 - ▶ Extensive negotiations and valuation
 - ▶ No harm to existing customers

OPPORTUNITY

- ▶ Ongoing investment opportunities
 - ▶ Legacy LILO funds
 - ▶ Long-term debt investment
 - ▶ Investment of surplus funds
 - ▶ Long-term debt investment
- ▶ Potential utility investment funds \$85m-100m

BENEFITS OF UTILITY INVESTOR

- ▶ Perpetual income
- ▶ Manage risks
- ▶ Known capital expenditures
- ▶ No staffing or operation concerns
- ▶ Transparent cost of service model
- ▶ Continually increase investment

OPPORTUNITY

- ▶ **Mutual Benefit Agreements**
 - ▶ Services
 - ▶ Promote sustainable initiatives
 - ▶ District energy
 - ▶ Landfill gas to pipeline
 - ▶ Conservation and efficiency
 - ▶ Utility growth
 - ▶ Address multiple bottom line

MULTIPLE BOTTOM LINE

- ▶ Social
 - ▶ Significant engagement and collaboration
 - ▶ Quality of life
- ▶ Cultural
 - ▶ Integrated with community sustainable initiatives
 - ▶ Municipal leadership
- ▶ Environmental
 - ▶ Direct contributions to sustainability
- ▶ Economic
 - ▶ Legacy financial benefits for citizens and City

BENEFITS OF FORTIS BC PARTNER

- ▶ Serves 2/3rds of Kelowna
- ▶ Seamless service change
- ▶ Professional management
- ▶ Kelowna office
- ▶ Partnership opportunities
- ▶ Cost of service model
- ▶ Energy security
- ▶ Financial strength

CONSIDERATIONS

RISK	MITIGATE	BENEFIT
Financial debt	BCUC regulated utility	Operational benefit
Utility business	Same	Professional management
Contractual	Resolution mechanisms	Initiative funding
BCUC approval	Early communication	Cost of service model
Interest rate	Staggered investment	Higher earnings

NEXT STEPS

Phase 1:
Summer 2012

- MOU
- Legal agreements
- Third party review and consultation

Phase 2:
Fall 2012

- Public information sessions
- Alternative approval process

Phase 3:
Winter 2012

- BCUC process
- Possible transfer to Hold Co.
- Complete March 2013

END