



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-105-15**

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

and

FortisBC Energy Inc.
Application for Approval of Rate Design and Rates for Constructing
and Operating a Compressed Natural Gas Refueling Station under the
Province's Greenhouse Gas Reduction Regulation for the City of Vancouver

BEFORE: K. A. Keilty, Panel Chair/Commissioner June 18, 2015

O R D E R

WHEREAS:

- A. On April 11, 2013, the British Columbia Utilities Commission (Commission) issued Order G-56-13, exempting Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) fueling stations undertaken as prescribed undertakings by FortisBC Energy Inc. (FEI) under the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) from the Certificate of Public Convenience and Necessity requirements for the term of the GGRR;
- B. Order G-56-13 also states that the Commission will set rates considering FEI's total expenditures on the prescribed undertakings, but confirms that the Commission's role does not include whether FEI ought to have negotiated different terms and conditions for those agreements with CNG or LNG fueling station customers;
- C. On November 14, 2014, FEI and the City of Vancouver entered into a Fueling Station Licence and Use Agreement that establishes terms and conditions for FEI's provision of the CNG fueling service (City of Vancouver Agreement);
- D. On February 13, 2015, FEI applied to the Commission, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), for interim and final approval of the rate design and rates established in the City of Vancouver Agreement (Application). FEI also requests that the Commission hold the Application in its entirety confidential;
- E. On February 26, 2015, Commission Order G-28-15, pursuant to sections 59-61 and 89 of the UCA, approved the rate design and rates established in the City of Vancouver Agreement for the CNG Fueling Service on an interim basis, effective on the date that the fueling service begins, currently anticipated to be June 26, 2015;

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2

- F. On March 10, 2015, the Commission issued Information Requests No. 1 (IR 1) to FEI, and FEI responded on March 24, 2015. FEI filed a revised response to IR 1 on March 27, 2015. On April 8, 2015 the Commission issued IR 2 to FEI and FEI responded on April 22, 2015;
- G. On May 19, 2015, FEI filed a letter responding to questions in an email communication from Commission staff; and
- H. The Commission has reviewed and considered the Application, including the responses to IR 1 and IR 2, and the May 19, 2015 letter from FEI, and determines that the rate design and rates should be approved.

NOW THEREFORE pursuant to sections 59-61 of the *Utilities Commission Act*, the Commission orders that:

- 1. The rate design and rates established in the City of Vancouver Fueling Station License and Use Agreement (City of Vancouver Agreement) are approved, effective the In-Service date as defined in the agreement (In-Service-Date).
- 2. The base rate for year 1 service in the City of Vancouver Agreement is approved for service in the period prior to the In-Service date.
- 3. FortisBC Energy Inc. (FEI) must file, on a timely basis, a redacted copy of the City of Vancouver Agreement for filing in the FEI Tariff Supplement binder.
- 4. The City of Vancouver Application and supporting documents will be kept confidential.
- 5. In future Compressed Natural Gas or Liquefied Natural Gas fueling station applications filed with the Commission that qualify as prescribed undertakings under the Greenhouse Gas Reduction (Clean Energy) Regulation, FEI is directed to:
 - I. Address the need for any incremental charges or changes to the base rate for year 1 service, for any service provided prior to the In-Service date, and to include the rate for any service to be provided in the period prior to the In-Service Date in the agreement with the customer.
 - II. Recalculate the Overhead and Marketing (OH&M) Charge, using the most recent cost and volume forecast, and the same methodology as Order G-78-13, to determine if the \$0.52/GJ OH&M Charge continues to be appropriate.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of June 2015.

BY ORDER

Original signed by:

K. A. Keilty
Panel Chair/Commissioner